

JPRS 78148

22 May 1981

South and East Asia Report

No. 1007



FOREIGN BROADCAST INFORMATION SERVICE

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TERRORIST CLAIMS EASY ENTRY TO AUSTRALIA VIA NEW ZEALAND

Wellington THE EVENING POST in English 9 Apr 81 p 5

[Text] There is no evidence to support the Australian claim that a member of the Baader-Meinhof terrorist organisation entered Australia through New Zealand, Immigration Minister, Mr Malcolm, said last night.

According to senior Australian immigration sources, Hans Peter Knoll, 31, told authorities after he was apprehended that the easiest way to escape West German authorities seeking terrorists, was to enter Australia through New Zealand.

The sources said Knoll claimed other members of the terrorist group had been given details on how to use the free access arrangement across the Tasman.

Knoll was arrested in Sydney as a prohibited immigrant in February and was deported to West Germany.

Australian immigration authorities said he had been in Australia for some time, but did not know how long he spent in New Zealand.

Mr Malcolm does not believe he was ever here.

"There is no evidence that Hans Peter Knoll en-

tered Australia via New Zealand.

"Indeed the evidence is that he has made wide and constant abuse of Australia's own procedures," Mr Malcolm said.

"My understanding is that Knoll illegally obtained an Australian birth certificate and on the basis of that, obtained an Australian passport which he used on numerous occasions to travel into and out of Australia.

"He travelled under a number of aliases with passports in the names of those aliases.

"Under at least one of those aliases he obtained a visa issued by the Australian authorities to enter Australia.

"No aliases related to New Zealanders and none of the passports were New Zealand passports," Mr Malcolm said.

land passports," Mr Malcolm said.

Knoll had an illegally obtained Australian passport which the Australians were regularly accepting as genuine, and other passports which the Australian authorities were also accepting.

Mr Malcolm said he was at a loss to know why Mr Knoll should wish to travel via New Zealand, thereby exposing himself to New Zealand's "very efficient and rigorous passport and immigration requirements".

Mr Malcolm is due to meet Australian Minister of Immigration (State and Federal) Mr McPhee in New Zealand next week at the Australasian immigration ministers' meeting.

The possibility of a repetition of the Knoll case is expected to be raised.

BRIEFS

AID FROM WEST ASIA--Siliguri, April 9: Bhutan has sought financial assistance from the oil-rich West Asian countries for developing some priority projects in the forestry and industrial sectors. Government sources here said yesterday the Kuwait Fund for Arab Economic Development had already agreed in principle to start its operations in the kingdom. The vice-president of the developing countries aid consortium, Mr. Max Raeppe, had been appointed consultant to the Bhutan government to negotiate the loans. Mr. Raeppe visited Bhutan in the first week of this month and held discussions with high government officials, including the minister for foreign affairs, Mr. Dawa Tering, and the deputy minister of planning commission, Mr. Dasho Lam Penjor. [Text] [Bombay THE TIMES OF INDIA in English 10 Apr 81 p 19]

CSO: 4220/7551.

JANATA LEADER TALKS TO PRESS ON PARTY STAND

Bombay THE TIMES OF INDIA in English 13 Apr 81 p 21

[Text] Chandigarh, April 12.

Mr. Piloo Mody, Janata MP, yesterday expressed the view that India would have to reconsider its stand on nuclear explosion if Pakistan exploded a nuclear device.

Such an eventuality would create a new set of circumstances, which would compel India to reconsider her stand, he added. Speaking for himself, he said he stood for non-proliferation.

The Janata leader told a news conference that he felt unhappy over Pakistan's efforts to explode a nuclear device. When a correspondence pointed out that his views were different from Mr. Krishna Kant's (who had recently pleaded for a nuclear explosion), Mr. Mody remarked: "Once a while, one can have a Diwali cracker." He then went on to spell out his party's view.

In his opinion, he said, India's diplomatic efforts had not been "strenuous enough to dissuade Pakistan "from making the nuclear device or preventing other countries from supplying Pakistan the resources for the manufacture of nuclear weapons. [as published]

Mr. Mody, who was on way to Solan to participate in the Himachal Pradesh Janata Party conference, said here during a brief stopover that India had no advantage over Pakistan in respect of the capacity to manufacture nuclear bombs.

"Should India have positive information about a nuclear bomb having been exploded by Pakistan, it should lose no time in reconsidering its stand not to manufacture it."

In reply to another question, the Janata leader said he felt very "unhappy" over the recent developments in Pakistan. It was, he said, in India's interest to have "sound, stable neighbours."

Asked to comment on the Assam ministry's survival after the recent budget session, Mr. Mody held the state governor's action in allowing the ministry to hold office as "entirely unconstitutional, undemocratic and ultra vires of the constitution." It was, he remarked, "something unheard of under a democratic set-up."

Gujarat Stir

He said the Anwara Taimur ministry should not have stayed "even for a moment after being defeated on money bill." The ministry's retention was, he said, the "anti-thesis" of democratic functioning of the government.

"The fact that it (the Assam government) tried to take instructions from New Delhi (about its retention) made it evident that it (the Congress-I) is a party comprising bonded labour."

In reply to a question on the current Gujarat movement against reservations, Mr. Mody recalled that he had made his solution to the problem known to the Prime Minister and her senior cabinet colleagues only recently when she called a meeting of the opposition leaders (for consultation). He had told the Gujarat chief minister, Mr. Solanki, too about his solution.

Asked to elaborate his suggestion, Mr. Mody said the solution lay in creating 3,000,000 new jobs. This could be done by making use of idle productive capacity. According to his estimate, capacity for the production of Rs. 5,000 crores worth of goods was laying idle in the country.

Presidential Govt.

In reply to a question about efforts to switch over to a presidential form of government, the Janata leader described Mrs. Gandhi's effort to start a country-wide debate on the presidential form of government as a method of introducing a "permanent emergency."

It had nothing to do, he said, with any form of democratic government in the presidential context. "We cannot wish away this system which we have tried for the past 33 years."

The opposition MP admitted that at the moment there was "a lull" in the debate but he was "afraid" it might presage another storm.

Solan (PTI): Mr. Piloo Mody inaugurated the first state-level convention of Himachal Pradesh Janata Party here yesterday.

CSO: 4220/7567

BUDDHISTS HOLD NATIONAL PARLEY IN NEW DELHI

Bombay THE TIMES OF INDIA in English 13 Apr 81 p 21

[Text] April 12: Mrs. Sheila Kaul, Union minister of state for education, has said that a satisfactory solution to the problems of the Buddhists would benefit the entire country. The Buddhists had played an important role in creating goodwill and strengthening ties between India and other countries.

Inaugurating a two-day national convention of Buddhists here yesterday, Mrs. Kaul said what was more important than the number of Buddhists in the country was their vital contribution to Indian life, especially art, philosophy and architecture through centuries.

She recalled Jawaharlal Nehru's interest in Buddhism which led to the establishment of several institutions for research on it in Gangtok, Varanasi and other places.

Delivering the keynote address, Prof. Narain Chand Parashar, MP, lamented that the Chakma Buddhists of Mizoram, Arunachal Pradesh, Assam, Meghalaya and Tripura were being neglected by the Government. The tribal Buddhists in Tripura had lost much of their property and land. Those in Lahul, Spiti and Kinnaur districts of Himachal Pradesh had been badly affected because of natural disasters in that region.

Prof. Parashar noted that the percentage of Buddhists in the country had declined from 0.74 in 1961 to 0.71 in 1971. The growth rate of Buddhists was the lowest among all religions during this period.

He said the Buddhists were being persecuted in Bangladesh and many had been either murdered or forced to flee their homes. He alleged that the Bangladesh government wanted to liquidate the 'viharas' of the Chittagong hill tracts.

Mr. Parashar noted that the influx of people into Buddhism had slowed down, as concessions given to members of the Scheduled castes were denied to them once they embraced Buddhism. He hoped that the convention, in which representatives of 57 Buddhist organisations and institutions were participating, would give a fillip to Buddhism.

CSO: 4220/7567

PUNJAB MAY INVOKE NSA TO CURB SEPARATIST MOVE

Bombay THE TIMES OF INDIA in English 13 Apr 81 p 7

[Text] Chandigarh, April 12 (UNI).

The Punjab government is understood to have asked district authorities to keep a close watch on the activities of the "Khalistan" movement, which is said to be drawing guidance from some Indians settled abroad.

According to official sources, the possibility of using the National Security Act (NSA) to curb the activities of "Khalistan" protagonists could not be ruled out. However, the state government does not want to attach undue importance to the issue. It prefers to "wait and watch" and take appropriate steps as warranted.

Official sources said the main support to the campaigners came from a few Indians settled in the United States as was evident from the printing there of a small-sized coloured "passport" of the so-called "republic of Khalistan".

The sources, however, ruled out the possibility of the movement having any links with Pakistan.

The "Khalistan" campaigners, the sources said, had also made "postal stamps" bearing the insignia of "Khalistan" besides rubber stamps and letter pads the printing of which had also been done in foreign countries.

The sources, however, felt that the "Khalistan" movement would soon die a natural death as only a handful of "extremists" were raising the bogey. The movement, they claimed, did not enjoy mass support.

At the instance of the chief minister, Mr. Darbara Singh, the Centre is reported to have banned the entry into India of Mr. Ganga Singh Dhillon, president of the Sri Nankana Sahib Foundation of the United States, orders to impound the passport of Dr. Jagit Singh, now in London, are said to have also been issued.

Mr. Dhillon, an American citizen, was in Chandigarh last month to preside over the all-India Sikh educational conference where the demand for associate membership for Sikhs in the United Nations was raised.

Meanwhile, the Akali leaders are reported to be divided over the issue. The Akali moderates are said to be of the opinion that raking up such a demand at this

stage might have political repercussions, including snapping of relations with some non-Akali parties.

New Delhi (PTI): A joint meeting of lawyers and social workers today criticised the demand for "Khalistan" (Sikh nation) and said it was against the spirit of national integration and secularism.

The demand was also illegal and unconstitutional, the meeting organised by the AICC (I) said in a resolution.

The demand was an insult to Shaheed Bhagat Singh and others who sacrificed their lives for independence, it added.

The meeting urged the prime minister and the home minister to take stern action against those demanding separate nationhood.

UNI added: Mr. Mohinder Singh Gill, former president of the Punjab Pradesh Congress, today cautioned against the demand for "Khalistan".

Condemning the demand, Mr. Gill said in a statement: "It was absolutely against the interest of all Sikhs and the country. This small section is playing with fire under the lure of some imaginary gain," he said.

These elements had made abortive attempts in the past as well and had tried to exploit the people of Punjab who never supported them.

Mr. Gill urged the Centre and the state governments to take firm steps to deal with these elements.

CSO: 4220/7566

MORE DETAILS OF HOME MINISTRY'S ANNUAL REPORT GIVEN

Calcutta THE STATESMAN in English 11 Apr 81 p 7

[Text] New Delhi, April 10.--The Union Home Ministry has noted with concern the emergence of Naxalite activity in North Arcot and Dharmapuri districts in Tamil Nadu and in Andhra Pradesh. This is mentioned in the Ministry's annual report for 1980-81.

The report points out that the steady improvement in the law and order situation in the first half of the year was offset by widespread communal disturbances in the second half of the year in Uttar Pradesh, Madhya Pradesh, Delhi and a few other States with the spread of the farmers' agitation in Maharashtra (as published) and Tamil Nadu to other States.

The report claims that the maintenance of law and order received the highest consideration of the new Government which assumed office in January 1980. Besides the legislation to deal with anti-national and anti-social elements, "particularly those which foment communal and caste conflicts", the Government strengthened the administrative machinery and brought political parties and groups on the common platform of the National Integration Council.

It is stated that the Arms Act and rules are under review to control the issue of arms and unearth unlicensed weapons. The State Governments have also been directed to take other measures to unearth unlicensed arms and curb the manufacture and sale of illicit arms.

The Home Ministry's review points out the decline, by a third, from 4,353 incidents in 1979 to 3,028 in 1980, and that man-hour losses during the year have been much less than in the previous years. The trade unions have, however, taken active part in agitations on "wider issues" like rising prices and the National Security Ordinance. The need to prevent communal disturbances and restore peace has been uppermost in the mind of the Government, it is stated.

The Government has the "deepest concern" about the atrocities on Scheduled Castes who are in a particularly weak and vulnerable position. It has been determined to put an end to the atrocities, the report says.

Significantly, the report is silent on the latest thinking of the Government on the Assam situation. It merely says that there has been "no positive response" by the Assam movement leaders to the Home Minister's invitation for talks extended from the floor of the Rajya Sabha last December.

The report mentions the revival of the "peace initiative" in Mizoram by the Union Government, and notes the recent visit of the Mizo National Front leader, Mr Laldenga, to his followers. It says the law and order situation remained peaceful in Nagaland, and points out that operations by security forces in Manipur have started yielding results. The situation in Tripura has improved considerably after the Centre extended support to the State Government after the violent incidents of June 1980.

The report states that student unrest reached a new peak in 1980. Incidents crossed the 10,000 mark that year. "While most of the incidents were of a routine and sporadic nature over academic and non-academic demands, some issues related to the rise in bus fares, rising prices, altercations with transport staff and assaults on invigilators" Assam, Andhra Pradesh, Bihar, Punjab, Haryana, Orissa, Tamil Nadu, Uttar Pradesh and West Bengal were affected the most by student unrest.

The report mentions the special steps that have been taken to deal with "anti-social elements" in the Dhanbad coalfield area. The local police and the Railway Protection Force have been strengthened and new posts have been opened in the area. The Centre has given the State Government Rs 44 lakhs for special police arrangements. The law and order situation "is showing signs of improvement", the report claims.

CSO: 4220/7559

COMMENTATOR SAYS NO DATE SET FOR HUANG HUA VISIT

Madras THE HINDU in English 11 Apr 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, April 10.

There is no official indication yet from Beijing when exactly the Chinese Foreign Minister, Mr. Huang Hua, proposes to visit Delhi.

The stage has not yet been reached for discussing mutually convenient dates for the visit.

Apart from what the Chinese Vice-Chairman, Mr. Deng Xiaoping, has told the visiting Janata MP, Dr. Subramanian Swamy, the External Affairs Ministry has had no confirmation from the Chinese side that Mr. Huang Hua would like to visit Delhi soon.

The Indian Ambassador, Mr. K. S. Bajpai, who was also present at the meeting, according to one report, has asked to see the officials concerned in the Chinese Foreign Ministry for a further discussion on the subject.

But the Government of India is proceeding on the assumption that, if it has indeed been decided at the highest level by the Beijing Government that its Foreign Minister should pay this long overdue visit soon, it might take place in the next two months, before the top Chinese leaders disperse for their annual summer vacation. It is customary for them to go to the Hangchow lake area in July for six to eight weeks, combining rest and recreation with governmental business requiring constant attention.

As far as India is concerned, a policy decision was taken some time back effectively delinking the exchange of such high level visits with the process of normalisation.

The policy-makers in Delhi wanted to psychologically get out of the habit of either reading too much significance into the timing of Mr. Huang's visit or swinging to the other extreme of suspecting a loss of interest on China's part in normalisation, if for some reason he was unable to pay an early visit.

No excitement: The disclosure by Mr. Deng that Mr. Huang would be visiting Delhi shortly has been described by India as a "positive" development, but otherwise there is no great excitement about it here.

The Government is taking the whole thing in its normal stride attaching greater importance to what Mr. Huang is going to talk than to the timing of his visit.
(as published)

It is India's intention to raise the border question when Mr. Huang comes here, whether or not he is prepared to engage in a detailed discussion on the subject.

The issue was raised by Mr. Huang himself during Mr. Vajpayee's visit in the form of a package offer, but the former External Affairs Minister had no brief to talk about a settlement involving the renunciation of Indian claims to Aksai Chin even if China was inclined to accept the McMahon Line with some minor modification.

Though the proposed visit will be an important event in the process of Sino-Indian normalisation, it cannot by itself lead to better relations unless China is ready to make some substantial concessions over the border question which is essentially a territorial dispute.

If it is not desirable to drag its feet, India also sees no great advantage in attempting to rush through with normalisation, until China is politically and psychologically ready for rapprochement.

Working contacts: In recent months, the two sides have stepped up their working contacts to an extent that the Chinese ambassador in Delhi asked for and received a detailed briefing on India's stand over various issues both before and after the recent nonaligned conference.

The invitation to send an all-party parliamentary delegation has also been accepted in principle to keep up the continuity of both official and non-official exchanges.

Mr. Huang's visit is thus being viewed in this broadcast of a slow but steady improvement of Sino-Indian relations. The talks that the Prime Minister, Mrs. Indira Gandhi, and the External Affairs Minister, Mr. P. V. Narasimha Rao, will be having with him will be aimed at carrying forward this dialogue to a higher level in due course if there is hope of a reasonable settlement of the border problem.

Any attempt to by-pass this basic issue, in India's view, would be a cosmetic exercise which can only create an illusion of improvement without overcoming the real barriers to better understanding between the two great Asian nations. This would be made adequately clear to the Chinese Foreign Ministry during the preparatory discussions with the Indian ambassador in Beijing and the Chinese envoy in Delhi.

CSO: 4220/7560

INDIA

CPI-M LEADER SUPPORTS TRADE UNION INDEPENDENCE

Bombay THE TIMES OF INDIA in English 11 Apr 81 p 9

[Text] Trivandrum, April 10: The CPM general secretary Mr. E. M. S. Namboodiripad has advocated the formation of independent mass organisations outside the control of any political party.

He said the concept of "front organisations" controlled by political parties was against the basic tenets of Marxism-Leninism.

Trade unions, farmers, farm workers, women and students should all have independent organisations of their own. Political workers with different political views must all find a place in these organisations. They should be guided by their own collective will instead of being controlled by any political party, according to him.

Mr. Namboodiripad suggested to the CPM state plenum, which ended yesterday, that the party must correct its mistake and build up mass organisations outside the scope of its political control. They should function democratically and take their independent decisions irrespective of the political views of the members.

CSO: 4220/7557

'HINDU' INTERVIEWS SWAMI ON VISIT TO BEIJING

Madras THE HINDU in English 11 Apr 81 p 9

[Article by K. V. Narain]

[Text] Tokyo, April 10.

China's strongman, Mr. Deng Xiaoping, Vice-Chairman of the Communist Party Central Committee, regards India as an "elder brother" in the sub-continent, that is that India has primacy in South Asia.

He wants neighbouring countries like Pakistan and Bangladesh to make up with India, according to Dr. Subramaniam Swamy, Janata MP.

"Therefore this is a historical opportunity which India should seize in order to improve relations with China", Dr. Swamy, who had a 100-minute talk with Mr. Deng in Beijing on Wednesday, said.

Dr. Swamy, in an interview with this correspondent, also referred to a number of other points made by Mr. Deng in his talk with him, all of which go to suggest a new pragmatic perspective of India by China's leadership which could be instrumental in bringing about a rapid improvement in Sino-Indian relations, depending of course on India's responses.

Dr. Swamy cited his own long talk with Mr. Deng in support of this point stating that Mr. Deng had broken protocol in meeting him, with the two discussing not only Sino-Indian relations but all world problems.

Mr. Deng had so far not met the Indian Ambassador in Beijing, Mr. K. S. Bajpai, but Dr. Swamy said, he insisted on Mr. Bajpai accompanying him for the meeting with Mr. Deng and the Chinese agreed.

Secondly Dr. Swamy's talk with Mr. Deng was prominently displayed together with his photograph on the front page of China's chief newspaper, PEOPLE'S DAILY, yesterday.

Dr. Swamy claimed that this had not happened since Jawaharlal Nehru visited China.

Dr. Swamy, who made no secret of the fact that he was a friend of China, said it was Mr. Deng's view that the "menace number one" was the Soviet Union and Mr.

Deng traced the Sino-Indian conflict of the early sixties to the then Soviet Premier Khrushchev noting that Sino-Indian relations deteriorated after Khrushchev had visited India in the mid-fifties.

Dr. Swamy added that Mr. Deng now recognised that "India is no more a Soviet client State" and further he felt that Indian public opinion was now a factor in policy-making. Hence, Mr. Deng is systematically wooing Indian public opinion", Dr. Swamy said. [as published] China now believes that relations with India should be reinforced at two levels, namely Government to Government and people to people. In other words "China now recognises India's parliamentary system", Dr. Swamy declared.

Another point made by Mr. Deng, according to Dr. Swamy, was that there were no issues of world policy in conflict between the two countries. "Therefore if India could be made neutral in the Sino-Soviet conflict it would be a gain for China" and this was a reason for China's advice to India's neighbours to make up with India, he added.

This morning Dr. Swamy met Japan's Chief Economic Negotiator, Dr. Saburo Okita and told him that China's claim for a soft loan from Japan was justified and that Japan should look beyond mere commercial interests.

He left here this evening for the United States to attend a seminar on China's national income.

CSO: 4220/7560

KERALA CPI-M PLENUM PASSES RESOLUTION

Bombay THE TIMES OF INDIA in English 10 Apr 81 p 12

[Text] Trivandrum, April 9: The CPM state plenum, which ended today, by a resolution offered "whole-hearted" co-operation to end the RSS-Naxalite violence in Kerala.

The resolution said that the CPM shared the anxiety and concern of its allies over the recent political killings.

The plenum alleged that the Intelligence Bureau was masterminding a plan to encourage the RSS and the Naxalites in Kerala to indulge in violence.

The CPM wanted its allies to understand this "conspiracy" and come forward to defend the Marxist home minister and the CPM against the "machinations" of the Congress (I).

The Plenum accused the Prime Minister, Mrs. Indira Gandhi, of encouraging a subversive agitation in West Bengal on the model of the liberation struggle launched against the first communist ministry in Kerala in 1959.

In describing the peculiarities of the left democratic front in Kerala, the resolution pointed out that the front included the Congress (U), which had been anti-CPM till 1978. The CPI and the RSP too were anti-Marxists.

The plenum said that the Congress (I) was waiting in the wings to disrupt the left democratic front.

CSO: 4220/7549

INDIA

COMMERCE MINISTER REPORTS ON VISIT TO MALAYSIA

Bombay THE TIMES OF INDIA in English 10 Apr 81 p 13

[Text] Kuala Lumpur, April 9 (AFP).

The Metal and Mining Trading Corporation has signed an agreement with the Malaysian Mining Corporation (MMC) for the purchase of 75 tonnes of tin per month for three years beginning this year.

The visiting Indian minister for commerce, steel and mines, Mr. P. K. Mukherjee, told a press conference here yesterday that this was the first such agreement between an Indian government agency and a Malaysian company.

He said a delegation from the State Trading Corporation (STC) would visit Malaysia soon to finalise the purchase of edible oils on a long-term basis.

"Once we know the Malaysian agency nominated to make the sale of the oil, further discussions will be held", he said.

The previous Indian contract for the purchase of palm oil from the Federal Land Development Authority (FELDA) expired recently.

Mr. Mukherjee said India imported about one million tonnes of edible oils annually, and last year it imported 280,000 tonnes from Malaysia.

On trade between the two countries, Mr. Mukherjee [as published] said the balance was in Malaysia's favour because of India's large imports of primary commodities.

"This trade should now be increased in volume and we hope that it will expand with more purchases of Indian items by Malaysia and the identification of the new items for exchange by both countries," he said.

He said the largest number of Indian joint ventures was in the Association of South-East Asian Nations (ASEAN) region, with a total of 55 projects in operation. Of these, 29 were in Malaysia.

Mr. Mukherjee said there were 26 projects in the pipeline at various stages of implementation in the ASEAN region valued at \$30.98 million. These included seven projects in Malaysia valued at \$2.66 million.

Mr. Mukherjee expressed India's interest in participating in Malaysian development projects and tenders.

"We have experience and know-how that could be beneficial to Malaysia in certain areas, he said. [as published]

He called for an understanding between India and Malaysia and other developing countries in the moves against protectionism of the developed countries in certain areas.

As major producers of certain commodities, countries like India, Malaysia, Indonesia and others should have a common approach in decision-making at various international forums, he said.

He added that the meeting of Indian commercial attaches here today had resolved that the Indian investment centre should have a representative based in Malaysia.

Large industrial houses with interest in Malaysia should also set up local offices.

CSO: 4220/7549

HOME MINISTRY REPORTS ON PERSONNEL PROCEDURES

Madras THE HINDU in English 10 Apr 81 p 16

[Text] New Delhi, April 9.

Promotion procedures in Central Government Departments have been uniformly modified to prevent "excessive supersessions", according to a Home Ministry report.

The annual report of the Ministry's Department of Personnel and Administrative Reforms says a sliding scale has been prescribed to extend the field of selection.

Three times as many officers as the number of vacancies will be considered before selection is made. If an adequate number of scheduled caste and tribe candidates are not available for filling the reserved vacancies, the field will be extended to cover officers five times the number of vacancies.

The special concessions to ex-servicemen for absorption in the civil services have now been made permanent, since the problem of their rehabilitation is considered a continuing feature.

The concessions, which have hitherto been extended periodically, include relaxation of age and educational qualifications and in-service training.

The blind, the deaf and the orthopaedically handicapped have each been reserved one per cent of the vacancies in Group C and Group D posts.

The list of jobs, suitable for these physically handicapped persons, have been circulated among all Central Ministries and Departments and a 100-point roster prescribed. [as published]

The Ministries and Departments have been told to give preference to the blind in jobs identified as suitable for them. They have been advised against administrative delays in the confirmation of blind persons in their jobs.

Regular blind chair-caners are to be posted in all offices where the volume of work of recaning of chairs justified fulltime appointments.

Central Government employees, invalided from service, will now be able to encash their earned leave and half pay leave. The facility was available so far only to those invalid officers who opted for voluntary premature retirement.

Annual earned leave has been liberalised for the industrial employees of the Central Government covered by the Factories Act--17 days during the first ten years of continuous service, 22 days between 11 and 20 years and 27 days after the 20th year.

Pension for Temporary Staff

Retiring employees will not be required hereafter to get a certificate of satisfactory service for claiming pension and gratuity. Since disciplinary proceedings take care of irregularities and dereliction of duty, the certificate requirement only delays the disposal of pension cases, according to current Government thinking.

"Temporary" Government servants with 20 years of service at the time of superannuation will now be allowed pension. Only holders of substantive posts have so far been entitled to pension.

Eleven sections now use Hindi exclusively to transact official work.

Over 80 per cent of the departmental employees possess a working knowledge of the Hindi and the eligible among the rest are to take up Hindi course.

Experts for Developing Countries

Over 1,000 Indian experts and other personnel were assigned in 1980-81 for service in friendly developing countries, according to the report.

The report said recruitment delegations came during the year from Iraq, Kenya, Libya, Nigeria, Tanzania, Zambia, Algeria, Mozambique and Seychelles.

In addition, 559 experts were nominated for foreign assignments under the United Nations and allied organisations.--PTI.

CSO: 4220/7554

ECONOMIC COMMISSION SIMPLIFYING TAX LAWS

Madras THE HINDU in English 11 Apr 81 p 9

[Article by G. K. Reddy]

[Text] New Delhi, April 10.

The Economic Administration Reforms Commission (EARC), headed by Mr. L. K. Jha, is giving top priority to the simplification of tax laws which is one of its terms of reference.

The Commission is now engaged in a detailed study of the direct taxes administration to suggest suitable amendments in the existing laws and procedures for the collection of taxes on incomes.

The former Secretary of the Expenditure Commission, Dr. Gauri Shankar, who is a well-known authority on taxation laws in India, has been appointed as a consultant to the Jha Commission to assist it in formulating the necessary legislative proposals for simplifying and restructuring the tax administration.

As one who has had a distinguished career in the Finance Ministry, Dr. Gauri Shankar is well-versed in the complexities of the Indian taxation laws having served in the tax departments and also as Director of Audit of Revenue Receipts.

Starts from Sepoy Mutiny

After the British Government first imposed a token tax on incomes in 1799 to meet the budgetary deficit caused by the Anglo-French wars, the then Government of India levied a similar tax in 1860 to offset the expenditure incurred on quelling the so-called Sepoy Mutiny.

It was not without significance that those affected by the new tax in the Bombay and Madras Presidencies protested against its imposition throughout the country saying that they did not join the Mutiny.

The concept of income-tax, which was initially intended to be only a token and temporary levy, changed with the passage of time with the result that at one stage the cumulative incidence of the basic tax and surtax on incomes and the other taxes on wealth, gifts and expenditure reached the absurd limits of exceeding an assessee's total income in the higher brackets.

Though the Government had taken steps to remove some of these anomalies in the tax structure, the basic problem of simplifying the tax laws remained despite the appointment of numerous commissions and committees to tackle it.

Jungle of Tax Laws

The last comprehensive codification of the income-tax law was done in 1961, with the passage of a new Act with 298 sections and four schedules. Though an assurance was given in Parliament that no changes will be made in this Act for at least five years, the Government started tinkering with it from the very next year, altering both its basis and balance.

As the Act stands today, it consists of 469 clauses and 11 schedules with several multiple sub-clauses each of which is in the nature of an independent section.

Among the numerous commissions and committees that have dealt with one aspect or the other of the problem of simplifying the tax laws between 1961 and 1979 are the Law Commission, the Administrative Reforms Commission, the Bhoothalingam Committee, the Wanchoo Committee, the Choksi Committee, the Yardi Committee and the Dandekar Committee. The latest in this formidable line of high-power panels is the Jha Commission.

Its Chairman, Mr. Jha, who is well acquainted with the senior officials who have grown in this jungle of tax laws and mastered the complexities of their administration, has chosen Dr. Gauri Shankar as a consultant to draw on his varied experience.

The Commission hopes to present its report to the Prime Minister in six months.

CSO: 4220/7360

INDIA

FINANCE MINISTER REPORTS DROP IN INFLATION RATE

Bombay THE TIMES OF INDIA in English 12 Apr 81 pp 1, 9

[Text] Madras, April 11.

The unorthodox two-pronged policy of combating the worldwide phenomenon of inflation by "supply management"--by increasing goods and services to absorb the available money--and by selective credit control had started paying off, the Union finance minister, Mr. R. Venkataraman, said here today.

The 1980-81 and 1981-82 budget were based on the new philosophy of providing the economy with such incentives as would help savings and investment as well as development and growth, he told city industrialists and businessmen at a reception organised to felicitate him.

Mr. Venkataraman said that was why personal taxation and other levies had been reduced in the two budgets and incentives given for industrial expansion and increased production.

He said while inflation had "not abated", it had been "moderated" from 23 per cent in 1979 to 13.2 per cent in 1980. Following his first budget, sanctions for funds had increased by ten per cent thereby showing increased growth to the business community.

In a stern warning to the business community, Mr. Venkataraman said the government had done its best to revive the economy by providing many incentives to the private sector and now "the ball is in your court."

"If you behave, we may go along these lines (followed in the last two budgets). Otherwise we may have to take decisions as may be necessary to revive the economy," he added.

Explaining the thinking behind the Central government, the finance minister said it inherited in January, 1980, a deficit of Rs. 2,700 crores as well as an infrastructure weakened by fall in production of coal, steel and electricity, among other things.

To refurbish [as published] the economy, an infrastructure sub-committee of the cabinet was set up with the finance minister as chairman. By the year-end, Mr. Venkataraman said, coal production went up by ten per cent to 114 million tonnes

while power production increased by 5.4 per cent. Steel output rose by one million tonnes.

The government adopted a basic philosophy of "let us do everything to revive the economy rather than raise taxes." This led to the reduction of taxes last year.

The reduction of surcharge on personal incomes by ten per cent had helped savings and investment. That had now led to the five per cent cut in corporate tax in the present budget, he said.

This policy contrasted with the orthodox method of "demand management" to fight inflation--through decreasing money supply by various methods such as increasing taxation.

Dealing with a range of points raised by speakers at the function, Mr. Venkataraman said the public and private sectors were complementary to each other and "all facilities would be provided to the private sector to grow and play its role in the country's development."

As regards the increase in prices of some key public sector products, Mr. Venkataraman said the government had decided to increase the prices of all commodities and services commensurate with the cost of their production. It was wrong to dub these as indirect taxation, he said.

Secondly, the government had decided that the cost subsidisation by the community of goods and services whose benefits were enjoyed by only some persons should end. This was the reasoning behind the increase of the prices of petroleum, coal, steel and other products. Even these prices hikes, he claimed, did not cover the cost of production. [as published]

The special bearer bonds were nothing new as they were exactly similar in nature to the 1965 gold bonds. There was no question of capital gains being exempted from taxation but only the incidence of tax could be open for discussion.

The Centre was moving in the direction of bringing important commodities under additional excise in lieu of sales tax. The private sector should really become private by doing away with dependence on governmental financial institutions and mobilising public funds through debentures at the "attractive rate of 13.5 per cent."

CSO: 4220/7561

RESULTS OF ANDAMANS COUNCIL ELECTIONS REPORTED

Calcutta THE SUNDAY STATESMAN in English 12 Apr 81 p 12

[Text] Port Blair, April 11.--Though the recently-concluded panchayat elections in the Andaman islands were not apparently [as published] fought on party lines, most of the 40 pradhans and upapradhans elected were said to be members of the Congress(I) and its ally, the DMK. Five of those elected reportedly belonged to rival groups.

For the first time in the history of the islands, the panchayat election was held through secret ballots (earlier the method used to be raising of hands). The popular mandate however, would not make it an executive body. According to officials of the Administration a Pradesh Council would be constituted soon and some of its members would be the elected panchayat pradhans. This council would be "purely recommendatory in nature". The Council is likely to consist of 25 members, 12 of whom would be selected from the panchayat pradhans, four municipal councillors, seven "tribal captains" of Nicobar, one woman member (to be nominated by the Commissioner) and a tribal member.

A five-member Executive Council would be selected from the Pradesh Council members, but that too will only make suggestions on development. It will be up to the Commissioner's discretion to accept or reject the proposals.

Though former Advisory Council nominated by the Commissioner would be abolished, the new Pradesh Council would do almost the same work. Full authority still rests on the Chief Commissioner for the administration of the islands.

CSO: 4220/7563

DELHI TAKES STEPS TO INCREASE USE OF HINDI

Calcutta THE SUNDAY STATESMAN in English 12 Apr 81 p 7

[Text]

NEW DELHI, April 11.—Evidently, the Centre has decided with renewed emphasis to increase the use of Hindi in official work, neutralizing the impression that the Government is going slow in pursuing it as the official language.

The Union Government is actively considering formation of a separate "Central secretariat official language service" comprising Hindi posts in the different Central Ministries, departments and their offices. This is stated in the annual report (1980-81) of the Department of Official Language of the Union Home Ministry. The report says that the new cadre for Hindi is expected to bring about uniformity in qualifications, recruitment and service conditions and give an impetus to implement the language policy of the Centre and increase use of Hindi in its day-to-day official work.

The report lists the measures adopted so far by the department for increasing the use of Hindi in various Ministries, departments and their lower formation and of targets fixed for the year 1980-81. For effective implementation of the Government's official language policy, Hindi sabhakar samities have been set up in 20 different Ministries and departments. Following recent reorganization of Central Ministries, similar samities in five more Ministries are proposed to be set up.

The officers of the department have visited 226 offices in 21 cities to ascertain the position of compliance of provisions relating to the official language of the Union and the use of Hindi in Central Government offices. With a view of making concerted efforts for the use of Hindi in major towns having a large concentration of Central Government offices, town official language implementation committees have been set up in 66 cities.

Under the Hindi teaching scheme, the report says, 139 centres are at present functioning throughout the country. Besides, 19 centres provide training in Hindi typing and Hindi stenography. Opening of new centres is under consideration. The department intends to reorient the existing syllabi for the different Hindi teaching courses to make them more scientific and practical. The revised courses are expected to be introduced in the near future.

The Central Translation Bureau which translates into Hindi the non-statutory procedural literature used by the Central Government like codes, manuals, rules, and forms conducts translation training courses and assists the "terminology coordination committee" set up to bring about uniformity in administrative terminology.

The production of Hindi typewriters and their supply have considerably improved. The department is now concentrating on the availability of other mechanical aids like pinpoint typewriters for use in banks, electric typewriters, teleprinters and computers in Hindi.

According to the report, the 30-member committee of Parliament on official language — 20 of the Lok Sabha and 10 of the Rajya Sabha — continued to function during the year to review the progress made in the use of Hindi for the official purposes of the Centre. In completion of its assignment, the committee will submit its report to the President. The Union Home Minister, Mr. Jai Singh, is chairman of this committee.

[as published]

KERALA FRONT PLANS STEPS TO END VIOLENCE

Bombay THE TIMES OF INDIA in English 11 Apr 81 p 9

[Text] Trivandrum, April 10.

The ruling front state committee, which is the highest co-ordinating body of the front, is expected to come out with a directive to the state government to end all violence in the state immediately.

The state committee was in session today in the official residence of the chief minister, Mr. E. K. Nayanar.

The CPM is handling the home portfolio. All the other five parties, including the CPI, were understood to have reached a consensus in demanding that violence be put down without fear or favour.

The spurt in violence mainly between the RSS and the CPM had already considerably damaged the credibility of the "left democratic coalition", according to the non-Marxist parties. No time should now be lost in restoring the lost credibility.

The CPM too had admitted in the resolution adopted by the state plenum that the government must do everything possible to win the confidence of the people.

The state committee was considering several proposals to implement a police policy that would ensure peace and eliminate provocation for violence.

The Congress (U), the CPI, the Kerala Congress, the RSP and the All-India Muslim League were said to have pointed out that pious declarations would not serve the purpose. The police machinery must be activated above political considerations against anyone who resorted to "killer politics".

Proposals for a vigilant and non-partisan police policy included the following: (1) effective police search and seizure of all explosives and arms; (2) effective prevention of training in arms; (3) a cabinet sub-committee to work out an operational plan for immediate implementation with the assistance of the police.

The Congress (U) leader, Mr. A. K. Antony, and his associates had been camping here since yesterday to evolve a consensus in favour of quick and effective action against violence in the state. They discussed with all the non-Marxist parties and reached a consensus that no more lapses could be tolerated.

The Marxists were as much responsible for the clash with the RSS as the RSS themselves. The Marxist plea of self-defence against the RSS implied that they had no faith in the state machinery over which they presided, according to the non-Marxist partners of the coalition.

Politically, the Marxists are very keen on developing the "Kerala model" by preventing the Congress (U) from leaving the front.

The Congress (U) in Kerala is equally keen on preventing the growth of the impression that like their West Bengal leaders they too were going closer to the Congress (I). At the same time, they feel they must tame the Marxists.

Meanwhile, the opposition leaders ridiculed the Marxist view expressed by the state plenum that the Central Intelligence Bureau was instigating the RSS and the Naxalites to create violence and disorder in Kerala.

"How did they forget the CIA this time?" one of them asked sarcastically.

CSO: 4220/7557

EFFORTS FOR PROMOTION OF URDU LANGUAGE DESCRIBED

Bombay THE TIMES OF INDIA in English 11 Apr 81 p 7

[Text]

LUCKNOW, April 10.

THE UP chief minister, Mr. Vishwanath Pratap Singh, has announced that Urdu would be accorded the status of the second language of the state before the end of this year.

Addressing the annual general meeting of the Urdu Akademi, he said, the Congress (I) manifesto was very clear in this regard and the government was committed to honour it.

He also announced that the annual budget of the Urdu Akademi for the current year would be increased from Rs. 10 lakhs to Rs. 18 lakhs. He said the prime requisite was the creation of a favourable atmosphere for the promotion of Urdu. In this respect, the government had taken several measures. Important among them were the acceptance of applications in Urdu in all government offices and making Urdu teachers permanent.

OATH IN URDU

He said the cabinet had decided to extend the facility for taking oath in Urdu by legislators. Necessary legal provision would be made in this respect.

The chief minister said the government had also decided to get destination of state buses written in Urdu. The question of giving incentives to educational institutions teaching Urdu could be considered, he added.

He said the information and public relations department had been directed to produce pamphlets and other publicity literature in Urdu also.

BOOKS IN URDU

The Bihar governor, Dr. A. R. Kidwai, who presided over the meeting said various state Urdu akademis and boards should coordinate their functions and work unitedly for the promotion of Urdu. The Union government was giving encouragement to Urdu language. There was, at present, a favourable atmosphere in which collective efforts should be made to restore to Urdu its rightful place.

He stressed the need for production of books in Urdu for university students and suggested exchange of books among various akademis. Depots should be opened for the sale of Urdu books.

The minister for information and national integration, Dr. Ammar Rivvi, emphasised the role of Urdu and said it had been decided to publish the works of Urdu literature under the auspices of the U.P. Urdu Akademi and to give financial assistance to Urdu writers in distress.

A new building for the Urdu Akademi would be constructed which would house a Frenchand auditorium, he said.

CSO: 4220/7557

TRIPURA EXTREMISTS REPORTED TRAINED IN BANGLADESH

Calcutta THE STATESMAN in English 13 Apr 81 pp 1, 9

[Text] The "Z" battalion of the Mizo National Front is helping members of the extremist wing of the Tripura Upajati Juba Samity secure training in arms in Bangladesh, Mr Nripen Chakravarty, Tripura Chief Minister, told reporters in Calcutta on Sunday. He has appealed to Mrs Gandhi to take up the matter with the Bangladesh Government, following reports that an armed squad of the TUJS has been on the rampage in Amarpur in Tripura close to Bangladesh. The Centre had already sanctioned an additional battalion of the Border Security Force to seal the 150-km border between Amarpur and Mizoram, he said.

While there was no law and order problem in the State, the alliance between the Congress(I), the TUJS and the Amra Bangali was causing concern to the Left Front Government in Tripura, Mr Chakravarty said. The TUJS, the Chief Minister felt, was trying to regain its lost position by coming closer to the Congress(I). "The Amra Bangali is continuing with its communal campaign, although most of its members have joined the Congress(I)." The three parties had synchronized their movements against the Front and were clamouring for President's rule, he added.

The Chief Minister said that the Amra Bangali and the Congress(I) in the State were still provoking the Bengalis against the tribals. A unit of the Naxalites was also a part of the alliance formed against the Front. Their activities were concentrated among the 4,000 refugees who were still in camps, following the disturbances last year. The camps had sheltered nearly 300,000 during the riots.

Nearly 150 members of the extremist wing of the TUJS slipped into Bangladesh after the disturbances, Mr Chakravarty said. Over the past two months, an armed squad of the wing had been terrorizing people in Amarpur. Eight supporters and workers of the CPI(M) were killed during the period in armed raids. The squad operating in the area had also committed [as published] several dacoities, the Chief Minister said. The topography of the area was particularly suitable for hit-and-run tactics used by the armed squad.

The arms seized in the Amarpur area indicate that the extremists were not using sophisticated weapons, the Chief Minister said. A few .303 rifles, several rounds of ammunition and the old uniforms and jungle boots used by the raiders were being examined. Mr Chakra. y felt that the rifles were the ones supplied to the Mukti Bahini during the Bangladesh war. The additional battalion of the BSF requested for by the Tripura Government will be deployed along the disturbed area.

Mr Chakravarty said that the State Government had been conducting an inquiry into reports of involvement by a section of the police in the disturbances in June. A police inquiry ordered earlier had revealed facts which needed further inquiries by judicial magistrates, he said. The Chief Minister said that over 1,100 people were killed and another 300 listed as missing in the disturbances. [as published] Nearly 40% of those killed were tribals.

The Chief Minister said that the disturbances in Assam had virtually snapped the link Tripura had with that State. Movement of wagons had been seriously affected following bomb explosions on the rail tracks in Assam. The daily average of about 40 wagons of foodgrain, which was inadequate, had dwindled to 10 over the past three months, he said. There was an acute shortage of petroleum products, especially diesel, in the State. On two occasions, the West Bengal Government helped Tripura by sending salt. Flow of cement and steel into the State was also affected.

Although the movement of food wagons, had nearly stopped, Rao Birendra Singh, Union Agricultural Minister, had stated in the Lok Sabha that there was no shortage of foodgrain in Tripura, he said. The Chief Minister alleged that the Food Corporation was winding up its work in the State. "The worst possible rice is being pushed down our throats". The State could not afford to send it back with the rail movements jeopardized and people going hungry. Of the 20,000 tons of foodgrain allotted to Tripura for the refugees being fed by the Government the State had so far received only 10,000 tons. The Government had promised to feed them till the next harvest. Nothing had been granted [as published] to the State under the National Rural Employment Programme, the Chief Minister said.

Bakeries in the State were on the verge of closure for lack of wheat and the price of rice had gone up by Re 1 a kg. The allotments under the NREP for Maharashtra and Tripura were the same, although the latter's unemployed rural labour force was far greater. "The Ministers at the Centre don't apply their minds to individual States", Mr Chakravarty said.

Even though Tripura had been crippled financially, the Centre was "adopting double standards with us", he alleged. The Chief Minister complained that Tripura had been asked by the Centre to mobilize its resources for payment of central dearness allowance while neighbouring Manipur, which is under President's rule was being looked after by the Centre. "We need Rs 6 crores for the central D.A. and there is no money. The employees of the State Government will go on strike from April 28", Mr Chakravarty said. The Centre had asked the State Government to mobilize resources for raising the Third Tripura Armed Battalion. "I have told them I can't do it without Central assistance", he added.

The Chief Minister complained that the State had to bear an additional expenditure of Rs 1 crore to provide police personnel with the benefits recommended in the Police Commission report. There had been no response to "my plea for Central assistance".

The State Government had lifted nearly 70,000 quintals of jute purchased through cooperatives but the Jute Corporation of India had suddenly stopped buying. "There is no way we can sell the jute outside the State", he said.

UNI adds from Agartala: Tripura extremists, led by Mr Chuni Kolai, are reportedly becoming belligerent again they are gaining support from a large number of tribal youths who went underground after the June disturbances. [as published]

The TUJS central committee, the highest decision-making body of the lone Opposition party, had reportedly discussed this "alarming situation" in depth at a closed-door meeting. The committee noted with grave concern that hundreds of tribal youths had fled into the jungles because of alleged police repression and the Marxist Government's "utter disregard" for their safety and welfare.

It had demanded that these youths be sent back to normal life and urged the State Government to compile a list of the suspected extremists. The TUJS has offered its cooperation and Mr Bejoy Hranghal, founder of the outlawed Tripura National Volunteer had also expressed his unanimity with the resolutions adopted at the meeting.

CSO: 4220/7570

STEPS TAKEN TO TIGHTEN AIRPORT SECURITY

Bombay THE TIMES OF INDIA in English 2 Apr 81 p 4

[Article by Srinivas Laxman]

[Text] April 1: Security steps at all the international airports in India will be tightened immediately.

This follows the recent hijacking of two aircraft, one belonging to Pakistan International Airlines and the other to Garuda Airlines. "As both the hijackings have taken place in our neighbouring countries we have been directed to step up security", an airport official told this reporter today. But at the same time he said that there was no immediate hijacking threat in India.

According to the official, the Union ministry of civil aviation and tourism has worked out a contingency plan and this will be put into effect immediately. He would, however, not go into the details of this scheme except to say that it was purely a precautionary measure.

Meanwhile, the civil aviation ministry has embarked on a programme to update general anti-hijacking measures. It has secured more metal detectors and other equipment to be installed at air terminals. Since Bombay was the busiest airport in this country, the modernisation programme was being concentrated at the Sahar and Santa Cruz terminals, it was stated.

Special schools to train policemen and security men to counter hijacking threat have already been set up, updated.

The need for such a training establishment has been felt since there have been instances when some over-enthusiastic policemen have questioned passengers for carrying items, which according to them resemble explosives. At Calcutta's Dum Dum airport, a Bombay-bound passenger was carrying some corals brought from the Andaman Islands.

The corals evoked the suspicion of a policeman who then got into a heated argument with the helpless passenger.

CSO: 4220/7543

GORKHA LEAGUE LEADERS DEMAND NEPALI STATE

Calcutta THE STATESMAN in English 13 Apr 81 p 1

[Article by Sumanta Sen]

[Text] Darjeeling, April 12.--Leaders of the Gorkha League today appealed to the CPI(M) and other political parties to join hands with it so that the Centre was forced to concede the demand for a separate State for the Nepalese.

The appeal was made at a public meeting which the Gorkha League held at Chowk Bazar here this afternoon. Mr Madan Tamang, Colonel B. P. Gurung and other leaders made it clear that after the "expulsion" of Mrs Renulina Subba from the State Assembly, there was no point for the people of the hill areas of Darjeeling to continue to remain in West Bengal. Particularly vocal was Mr Tamang who said: "We do not consider ourselves to be part of West Bengal any longer". The crowd at the meeting, [as published] however, did not indicate whether it approved the stand.

The Gorkha League leaders repeatedly said that the demand for a separate State should not be considered only its own. They particularly hoped that the CPI(M) would take it up as it would be in keeping with "the aspirations of the hill people". Mr Tamang said: "If the CPI(M) agrees to come with us, then we will even put our party banners aside to accommodate them on this issue". He also said, that the agitation for a separate [as published] homeland would be conducted in a peaceful and democratic manner and told the crowd to be aware of "agents provocateurs who are spreading rumours that we will resort to violence".

Mrs Renulina Subba said there was no question of her reconsidering her decision to resign [as published] from the Assembly. She was yet to receive a communication from the Speaker to the effect that the expulsion order against her had been withdrawn, she added.

The tone of today's meeting, according to informed sources, was moderate, compared to what the Gorkha League leaders in Darjeeling had been saying at the beginning of the current agitation. These sources said that the moderation had been imposed by some Gorkha League leaders of Kalimpong, who reportedly did not favour Mrs Subba's decision to resign.

The Gorkha League also held a meeting here today to finalize a memorandum to be submitted to Mr Zail Singh, Union Home Minister, when he arrives here tomorrow. The contents of the memorandum were not disclosed to the Press, the party has decided to keep it a secret.

CSO: 4220/7570

INDIA

BHEL UNIT HIT BY SCRAPPING OF SIEMENS TIE-UP

Bombay THE TIMES OF INDIA in English 13 Apr 81 p 7

[Article by T. E. R. Simhan]

[Text] Hyderabad, April 11: The scrapping of the 'umbrella cover' of Siemens of West Germany has affected the Bharat Heavy Electricals Ltd. unit at Ramachandrapuram, near here.

Though officials of the unit were reluctant to talk about the BHEL-Siemens tie-up, knowledgeable sources said the unit lost its potential and high-yielding market in the area of SF-6 circular-breaker manufacturing to the private sector.

According to one source, the unit may have lost in the last two years anywhere between Rs. 60 and Rs. 75 million since it could not avail itself of the latest technical know-how from Siemens.

Circuit-breakers are used as power stabilisers both by state electricity boards and private sector companies. Besides, demand for this equipment is increasing.

The other area where BHEL seems to have lost its market leadership pertains to "electrics" for oil drills to control the power required for oil engines. Even in the field of switchgear, the unit is behind by at least two and a half years compared to the private sector which has made inroads into the market, the source says.

However, the officials confided that even now BHEL was in a position to overtake the private sector if they could somehow enter the field.

Mr. Bhattacharjee and Mr. N. S. Tallur, general manager and senior planning manager, respectively, of the unit, told a visiting press party that against the turnover target of Rs. 126 crores, the plant achieved Rs. 127 crores last year, with a total capital investment of Rs. 45 crores. The capacity utilisation has been between 85 and 90 per cent. There were orders worth Rs. 360 crores, sufficient enough to keep the company busy for another three years.

Mr. Tallur said that at present BHEL engineers were erecting three improved boiler sets at Vanakgori in Gujarat. Each of them has 210 Mw capacity. An oil rig worth Rs. 4 crores was nearing completion in the unit for use by the Oil and Natural Gas Commission.

Fourteen different generic products, by far the largest number of areas for any BHEL constituent, are being manufactured at the Ramachandrapuram unit which could secure global orders worth Rs. 315 million.

CSO: 4220/7566

GOVERNMENT PRESENTS EXPORT POLICY FOR 1981-1982

Presented in Lok Sabha

Bombay THE TIMES OF INDIA in English 2 Apr 81 p 1

[Text] New Delhi, April 1.

The government has liberalised its export policy with the exception of some essential commodities of mass consumption, the export of which has been banned.

The export policy for 1981-82 is aimed at a substantial increase in exports. The policy document was placed on the table of the Lok Sabha today.

The policy allows the export of any item required for the execution of projects abroad and also provides for tighter quality control.

The baggage rules have also been liberalised to enable "bona fide" foreign tourists to take with them manufactured articles worth Rs. 20,000 against Rs. 10,000 allowed at present. Within this limit, silverware will also be allowed up to Rs. 200 per head, subject to a ceiling of Rs. 400 per family.

Passengers, who come to India and are leaving for good after a prolonged stay, can take out silverware up to a value of Rs. 3,000. Indians migrating to foreign countries or going for an indefinite stay, can take along with them silverware up to Rs. 2,000 with the Reserve Bank's permission.

Gifts of silver articles will be prohibited in the new export policy in view of the need for conserving silver. At present, gifts are allowed to be exported up to Rs. 2,000 with the permission of the Reserve Bank.

In the essential commodities category, the ban on exports has been extended to khandeeri, jaggery and wheat products. Some other items are uncrushed bones other than fish bones, vintage cars, bone meal and mutton tallow.

In respect of certain items, the minimum export price has been raised. A number of items are being allowed for exports "on merit" but exporters should not enter into any commitment without obtaining prior permission for export.

For items subject to quality control, exporters will now have to produce quality certificates before the customs at the time of export.

The ceiling restriction on export of guar meal has been removed. Export of 50 per cent and above and of fresh and frozen silver pomfrets of 300 grams each and above will be allowed under the open general licence.

Export of polyethylene (low density), which was banned earlier, will be canalised through the Indian Petro-Chemical Corporation. Export of non-Basmati and coarse rice will be allowed within a limited ceiling through designated Central government agencies.

Export of any streptomycin formulation, which has been banned earlier, will be allowed but subject to the condition that the bulk drug used in the export is replenished by import.

Further Details Reported

Madras THE HINDU in English 2 Apr 81 p 1

[Text] New Delhi, April 1.

Wheat products, pulses, jaggery and butter are among the essential items, whose export has been banned under the export policy for 1981-82 announced by the Lok Sabha today by the Commerce Minister, Mr. Pranab Mukherjee.

The policy seeks to maximise exports and has therefore brought under export control only the minimum number of items necessary.

The list of items, in which export is permitted, has been enlarged and changes have been made in the list of canalised and banned lists.

New items: The new items added to the banned list are crude rum (rum not matured in wood), potable liquor and Indian-made foreign liquor containing more than 50 per cent alcohol, sulphur, butter, sugar, sugarcane, chandsari, jaggery, bone meal, uncrushed bones other than fish bones, cattle used for breeding purposes, pulses, lentils, grass and beans and flour made therefrom, blooms and slabs, rolled/cast billets, bars and wire rods.

Polyethylene (ld) has been removed from the banned list and added to the canalised list. Streptomycin formulation has been taken off the banned list and it will now be allowed for export provided the bulk drug used in the export product is replenished by import.

The ceiling restriction on export of guar meal has been removed. Exporters of guar gum will be allowed to export guar meal at the rate of half-a-tonne against one tonne of guar gum exported during 1980-81.

Export of fish meal with a protein content of 50 per cent or above and fresh and frozen silver pomfrets of sizes 300 grammes and above will be allowed under OGL 3.

Export of non-basmati and coarse rice will be allowed within a limited ceiling through designated Central Government agencies only.

Chemical/marine gypsum with purity below 80 per cent will be allowed to be exported 'on merits'. Export of live sheep and goats will be permitted within

a limited ceiling with suitable minimum export price, whereas this item, till now, was allowed under OGL 3.

Export of man-made fibres of certain variety will be allowed within a limited ceiling, subject to minimum export price whereas hitherto it was allowed 'on merits'.

Ivory products will be allowed to be exported only on the condition that the export product is manufactured out of imported (as published) ivory.

To assist project exports, export of any item required in connection with the execution of a project abroad will be allowed on the recommendation of the Project Committee of the Commerce Ministry.

Baggage rules: The policy also incorporates some changes in export baggage rules. Bona fide foreign tourists can take out, along with them, manufactured articles worth Rs. 20,000 as against Rs. 10,000 allowed at present.

CSO: 4220/7543

INDIA

RAMDAS APPOINTED DIRECTOR OF NAVAL OPERATIONS

Bombay THE TIMES OF INDIA in English 13 Apr 81 p 5

[Text] New Delhi, April 8: Commodore Laxminarayan Ramdas has been promoted to the rank of Rear Admiral and appointed director of naval operations at naval headquarters, New Delhi. He was commissioned in the Indian navy on September 1, 1953, after training at the Royal Naval College, Dartmouth, England.

Admiral Ramdas was the only officer from his batch who was selected to undergo the course at the Royal Naval Staff College in England. Promoted to the rank of commander he established and commanded the naval academy at Cochin where he distinguished himself for which he was awarded the Vishisht Seva medal.

During the 1971 operations while in command of INS Beas Admiral Ramdas took part in the most effective naval blockade of East Pakistan which frustrated the Pakistani attempts to evacuate 91,000 of their troops who eventually surrendered to the Indian forces. He captured a large number of ships carrying contraband to that country, bombarded Cox Bazar and took part in the landing and other operations in an area infested with enemy mines and other under-water threats.

For his resolute, bold, gallant and imaginative actions in the face of great danger Admiral Ramdas was decorated with the Vir Chakra. He later commanded India's only aircraft carrier Vikrant.

After serving for three years as naval attache in Germany, he effectively commanded a squadron of modern ships. In 1978 he came to Delhi as director of personnel at naval headquarters. Graduating from the National Defence College, he was appointed director of naval signals, a job that he held till his elevation of flag rank.

CSO: 4220/7566

REPORT ON GANDHI SPEECH IN DEFENSE BUDGET DEBATE

Calcutta THE STATESMAN in English 10 Apr 81 pp 1, 9

[Text] New Delhi, April 9.--Mrs Gandhi said in the Lok Sabha today that it must be clearly understood that Pakistan's development of nuclear bombs would have "grave and irreversible" consequences on this subcontinent. She said: "We are fully aware of our responsibilities, and the House can be confident that we shall respond in an appropriate way to any development."

Officially, she noted, Pakistan had denied that it was planning to produce nuclear weapons. But those denials had not allayed the fears and suspicions anywhere in the world on that score.

Mrs Gandhi, who was replying to the debate on the Defence Ministry's budgetary demands, said India was keeping its eyes and ears open in this respect". [as published]

The Prime Minister noted, however, that India's own policy had been to use nuclear energy only for peaceful purposes "and we crusade for the total banning of all nuclear weapons". Pakistan figured more than once in Mrs Gandhi's 45-minute speech.

Developments in Afghanistan, she mentioned, had given an excuse to Pakistan to demand more arms, and to other countries to supply them.

In the past decade Pakistan had doubled its defence strength. India had not protested about it, but the present moves had introduced a qualitative difference. "Now Pakistan's defence seems to be once again becoming part of a larger strategic alignment". This was what worried India, Mrs Gandhi noted.

Even more disturbing was the mischievous campaign started in some quarters that Pakistan needed to be strengthened because of what was described as India's "designs". That, Mrs Gandhi said, was patently ridiculous.

Some leaders of Opposition parties had said outside the House that India, with its size, need not be afraid of Pakistan. "We are not afraid of Pakistan or any one else", Mrs Gandhi told them. But size itself was not strength. In fact, without unity and discipline, it could well become a liability. What India was concerned about, in the present developing situation was the tranquillity of this entire region.

The Government, she added, had already expressed its misgivings directly to the U.S. Government. Also, India's Foreign Minister was soon to visit Pakistan for discussions at the invitation of the latter's Foreign Minister. "Our efforts at friendship and cooperation continue, and will continue. But at the same time we must not ignore the dangers of the unfolding situation".

India had never resorted to any step which might be taken as a threat to "our neighbouring country". Indeed, assurances about this country's policy of respect for the other's sovereignty and integrity had been repeatedly given. "We want them to live in peace and stability. In fact, the pace of socio-economic development in our own country is vitally linked with what happens in our neighbourhood". Yet, as Jawaharlal Nehru said 25 years ago, the cold war had come to India's doorstep once again.

Mrs Gandhi began her speech by reiterating the Government's commitment to maintaining the country's armed forces in a state of total preparedness and keeping their morals at the highest level.

Some cut motions had been moved by members demanding a substantial increase in the defence budget. Mrs Gandhi told them that while she shared their concern, she must remind them that it was not India's intention to build a war machine or to compete in an arms race". [as published] Our aim is primarily to prevent others from disturbing our peace and our development". [as published]

Besides, defence was only part of the national endeavour and could not be built at the cost of socio-economic development. [as published] "In the circumstances, we have made a most judicious allocation of our resources for the defence sector".

India's defence expenditure, she added, was, in terms of percentage of the Gross National Product, one of the lowest in the world. As a percentage of the Central Government expenditure also, it was low "compared to that of most countries". She added that, at the same time, everything was being done to meet fully the needs of defence services.

She assured the House that programmes to modernize all the wings of the armed forces were continuing "in the perspective of the security environment in the foreseeable future".

Mrs Gandhi denied the allegation that India was dependent upon one "particular country" for its military equipment. Not only was that allegation baseless, it was also anti-national in as much as it affected the morale of the forces. India, she said, had already build [as published] a strong technoeconomic base. And when there was need for equipment from abroad to keep abreast of latest technological development, India carefully considered the pros and cons of various offers, [as published] then decided the source of procurement in the best interests of the country after ascertaining that the equipment was most suited to India's needs.

India had equipment and material not from one country but from diverse countries "including France, Germany, Italy, Sweden, the U.K. as well as the USA and the USSR". She added: "In the matter of supplies and spares, no country can black-mail us in times of need".

Examining the security environment, Mrs Gandhi said that never in the past two decades was the international outlook as grim as it was today. It would need the most earnest exertion of all countries to somehow hang on to peace and to prevent the situation from exploding or drifting towards disaster. The basic responsibility for peace lay with the big Powers. Yet, other countries "can and must" pull their weight individually and collectively in this matter. "Peace to us is vital for the consolidation of our independence, for the building of our economy, and indeed for our very survival as a nation".

Talking specifically about this region she said India's South-west and South-east Asia flanks had developed into flashpoint. New armaments were being piled up in the region, not only around the Indian Ocean but also in a number of inland countries. It was said that the purpose of militarization of this area was to contain the expansionism of one big Power by the other and to ensure the stability of the Gulf region.

In India's view, that policy was counter-productive. It would virtually prevent a negotiated settlement in Afghanistan. "Nor will it bring peace to the Gulf and South-west Asian region". The security of the Gulf countries should primarily be the responsibility of the Gulf countries themselves "who should not allow external interference or pressures in the shaping of their future".

On Afghanistan, she said that India stood firmly for the ending of all outside presences in that country. And India's advocacy of a political solution had assumed even greater relevance now than when the trouble began.

Experience, she said, had shown that military solutions were shortlived. "Hence no opportunity for a dialogue should be missed". Proposals like those of President Brezhnev required to be looked at in this context, Mrs Gandhi added.

She denied having stated that she could "finish" the Jammu and Kashmir Government in half-an-hour's time, adds UNI.

The denial came when Mr Mani Ram Bagri (SOC), quoting radio and newspaper reports, said that the Prime Minister had talked of toppling the State Government during her recent visit to Jammu and Kashmir.

India extended from Kashmir to the Pigmilion point in the Andaman-Nicobar islands. This, the Prime Minister requested Lok Sabha members to remember because normally people described it as extending from Kashmir to Kanyakumori. It was really up to the Pigmilion Point and the members should keep this in mind while referring to the size of the country in future, she added.

Mrs Gandhi said foreign vessels were showing undue interest in the outlying islands of India. "We are taking steps to strengthen the security of those islands."

Pending finalization of an acceptable international regime of ocean management, "we must be vigilant to safeguard our legitimate rights," she said.

CSO: 4220/7552

GANDHI SENDS MESSAGE TO PEOPLE OF NORTHEAST

Bombay THE TIMES OF INDIA in English 13 Apr 81 p 1

[Text] Silchar, (Assam), April 12 (UNI).

The Prime Minister, Mrs. Indira Gandhi, today expressed her government's determination to solve the Assam tangle speedily through peaceful means.

She advised the Assam council of ministers to open the channels of communications with the agitation leaders, particularly the All-Assam Students' Union, in such a way as to find a permanent solution to the foreigners issue. "Some movements are just. Some are unjust. But these are to be solved in an atmosphere of tranquillity and in an accommodative spirit," she said.

In a message to the people of the north-eastern region at the end of her two-day visit to Assam, Manipur and Nagaland, the Prime Minister urged them to co-operate with the government to achieve this task. She met the Assam ministers, members of the state Congress (I) legislature party and addressed three public meetings during her four-hour hurricane trip to Cachar district before emplaning for Delhi.

Mrs. Gandhi told a mammoth rally at Salchar that a breakthrough could have been achieved by now had the agitators agreed to what she had suggested exactly at the same time last year to settle the issue.

The Prime Minister visited Assam on this day last year.

She said some fissiparous forces and outside elements were taking advantage of Assam's "violent agitation and the unsettled condition" to weaken the unity of the country. She regretted that there were some elements in the country, particularly in Assam, who wanted to agitate for the sake of agitation only.

Fiscal Allocation

Addressing the council of ministers, Mrs. Gandhi said the Centre was very sympathetic to Assam's problems and would step up fiscal allocation to accelerate the economic development of the state. She appreciated the steps taken by the present government to bring back normalcy in the state.

Mrs. Gandhi advised the members of the Congress (I) legislature party to work in close co-operation with the government to implement the various developmental schemes in the state.

Addressing public meetings at several places, Mrs. Gandhi called for building a prosperous, resilient and strong India to meet the challenges from other countries. She urged the people to show the same zeal they had evinced during the "peaceful freedom struggle."

The Prime Minister received from the Assam chief minister, Mrs. Anwara Taimur, a memorandum demanding the construction of barbed-wire fencing and walls in certain vulnerable border areas to deal effectively with the problem of influx of people from Bangladesh.

The memorandum pleaded for greater share in the Central sector projects in the state and urged that the proposed all-India institute for medical education and research for the north-eastern region be located in Assam.

The cabinet also requested the Centre for adequate financial assistance to raise two battalions of the armed police which, it felt, was necessary in view of the present developments in the law and order situation in the state.

Expressing concern over the recent bomb blasts in the state, the memorandum said that effective measures should be initiated to prevent the recurrence of such incidents and to bring the culprits to book.

Meanwhile, the Prime Minister returned to the capital this evening after a two-day visit to Assam, Nagaland and Manipur.

CSO: 4220/7566

INDIA

GANDHI SPEAKS AT MEETINGS IN ASSAM

Calcutta THE STATESMAN in English 13 Apr 81 p 1

[Text] Silchar, April 12.--The Prime Minister today emphasized that a solution to the foreigners issue could be found if the parties concerned made a start with 1971 as the cut-off year as suggested by her exactly a year ago when she visited Assam report UNI and PTI.

At a public meeting here, Mrs Gandhi said that as nobody had "heeded me then", the problem had remained unsolved so long.

The Prime Minister directed the Assam Government to open negotiations with the All Assam Students Union.

She said the agitation should not be continued for the sake of it. Instead, a way should be found out to have the present tension in the State defused and an atmosphere created for a fruitful dialogue, she told a public meeting here before leaving for Delhi after a hurricane visit to some places in Manipur and Assam.

At separate meetings with members of the Assam Cabinet and the Congress (I) Legislature Party, Mrs Gandhi emphasized that her party members in Assam should work unitedly to face various challenges, posed by vested interests.

Mrs Gandhi is understood to have asked the Congress(I) members to work hand-in-hand to strengthen the unity and solidarity of the party at all levels.

Addressing a mammoth public meeting here, the Prime Minister said the problems of other areas in the north-eastern region, including Nagaland, Mizoram and Meghalaya, had, by and large, been solved through mutual discussions.

The Prime Minister received from the Assam Chief Minister, Mrs Anwara Taimur, a memorandum demanding construction of barbed wire fencing and walls in certain vulnerable border areas to deal with the problem of influx from Bangladesh.

CSO: 4220/7570

PETROLEUM MINISTRY 1980-1981 ANNUAL REPORT SUMMARIZED

Madras THE HINDU in English 12 Apr 81 p 6

[Text] The operations of oil refineries were severely affected in 1980-81 on account of suspension of flow of oil from Assam. Even in 1979-80, the refineries in North-East could not function effectively in the last quarter for the same reason. The Barauni refinery remained shut down until February this year. [as published] The Bongaigaon unit too had to suspend working while the Gauhati refinery operated off and on. The output of crude in April-December 1980 from the on-shore and off-shore areas was only 7.14 million tonnes as compared to 11.77 million tonnes in 1979-80. The share of on shore wells was 3.78 million tonnes against 7.34 million tonnes and off-shore wells 3.35 million tonnes against 4.42 million tonnes.

The details given in the annual report of the Ministry of Petroleum and Chemicals for 1980-81 indicate that the throughput of all refineries in nine months was only 18.86 million tonnes against 27.47 million tonnes in the previous 12 months. The handling of a smaller throughput was also due to difficulties relating to imports following the outbreak of conflict between Iraq and Iran. Crude imports were thus 11.85 million tonnes in the period under reference against 16.11 million tonnes in 1979-80.

Larger Product Imports

There were, of course, larger imports of 4.94 million tonnes of petroleum products against 4.48 million tonnes in 1979-80. The value of crude and petroleum products was substantially higher at Rs. 3,573.32 crores against Rs 3,211.90 crores. The bill for the whole year may be easily Rs. 5,000 crores having regard to the fact that higher prices had to be paid in January-March this year.

The operations of refineries in 1981-82 may not be badly interrupted as the flow of oil from Assam has been resumed and it is estimated that total production will be over 16 million tonnes from the on-shore and off-shore areas as compared to 9.4 million tonnes in 1980-81. There is also no difficulty in securing imports from various sources. The throughput of all refineries can be easily 31-32 million tonnes. It is, of course, assumed that the Mathura refinery will be making some contribution and the capacity of the existing refineries will be utilised in an optimum manner.

There has been some delay in completing the construction of this refinery which will have a capacity of six million tonnes. In spite of various bottlenecks, it is hoped that a part of the refinery will be mechanically complete by May-June.

The secondary processing facilities at Koyali which will be helpful in upgrading the quality of products and increasing capacity by two lakh tonnes are scheduled to be in operation in November. The capacity of this unit has been raised to 7.2 million tonnes from 6 million tonnes as a result of de-bottlenecking operations. The new facilities were helpful in raising throughput to 5.4 million tonnes in April-December 1980 against 6.7 million tonnes in 1979-80 and 5.25 million tonnes in 1978-79. With a view to conserving crude reserves in the Ankleshwar area, the pipelines connecting Salaya and Koyali and Ahmedabad are being expanded for handling crude from other sources and Bombay High.

Similar facilities are also to be created in the Cochin refinery while the doubling of capability of Madras Refineries is underway. A wax plant too will come up in the same area. As the demand for petroleum products will be rising steadily, it has been considered advisable to create new refining capacity with the establishment of two units having an aggregate capability of nine million tonnes annually at Mangalore and Karnal.

In the context of rising cost of crude imports and a disproportionate increase in the value of petroleum product imports, it has become imperative to maximise the throughput of existing refineries besides upgrading the yield of different products. If crude output can be raised as anticipated and imports of refined products are kept to the minimum, the foreign exchange expenditure on oil imports in 1981-82 may not be much higher than in 1980-81 in the absence of any fresh hike in OPEC crude prices.

CSO: 4220/7565

MEMORANDUM ON INDIAN AID TO TANZANIA REPORTED

Madras THE HINDU in English 2 Apr 81 p 6

[Text] New Delhi, April 1.

India and Tanzania on Tuesday signed a memorandum of understanding under which India would assist Tanzania in the construction of sugar factories, extend cooperation in the field of railways, and help set up an industrial estate there.

India would also help Tanzania in the construction of five new technical secondary schools and equip them.

The Engineering Projects India Limited would take up on a turnkey basis, the Mtwara Sugar Factory project. India would supply machinery for the factory.

India would help Tanzania in a major rice project. Negotiations are also going on for setting up an integrated textile mill and a cement factory there. Tanzania also wants Indian participation in the modernisation of the Dar-es-Sallam port.

The memorandum was signed by the Tanzanian Communication and Transport Minister, Mr. I. M. Kaduma and Minister of State for Industries, Dr. Charanjit Chanana.

The two countries hoped that bilateral relations between them would be further strengthened as a result of the visit of the Tanzanian President, Mr. Julius Nyerere to India.

Bidding farewell to Mr. Nyerere who took off for Punjab and Bombay at the end of his three-day State visit to New Delhi, the President, Mr. Sanjiva Reddi said the visit had provided an opportunity to share mutual experiences.

In a farewell speech, Mr. Nyerere said relations between the two countries were close and cordial at all levels. There were 900 Tanzanians in India being trained in various fields and gaining practical knowledge, which was in great demand in the country.

The Prime Minister, Mrs. Indira Gandhi was among the distinguished gathering present at the airport to see off Mr. Nyerere.--UNI & PTI.

CSO: 4220/7545

TRADE TURNOVER WITH USSR DOUBLES OVER 5 YEARS

New Delhi PATRIOT in English 3 Apr 81 p 5

[Text] India's trade turnover with the Soviet Union doubled during 1976-80 over that of 1971-75 with the figure touching 5.7 billion roubles (Rs 57 billion), reports PTI.

The turnover was 2.7 billion roubles or Rs 27 billion during 1971-72, USSR trade representative V P Senin told newsmen in Delhi on Wednesday evening.

Indo-Soviet trade last year was to the tune of 1.6 billion roubles (about Rs 16 billion) which was about 20 per cent of the total turnover of the Soviet trade.

India has secured contracts worth about Rs 2.7 billion from the Soviet Union for supply of non-traditional goods including 100 million metres of cotton textiles, said Mr Senin.

The Soviet Union also imported engineering goods to the tune of about 45 million roubles (Rs 4.5 billion) in 1971-75 and this rose to about 130 million roubles (Rs 13 billion) during 1975-80.

His country would buy more than 500 million roubles worth of goods from India Mr Senin said.

The Soviet Union has signed a major contract for the first time to buy industrial and automobile V-belts worth Rs 17.2 millions from India, adds UNI.

CSO: 4220/7548

TERMS FOR FOREIGN COOPERATION IN OIL SEARCH GIVEN

Madras THE HINDU in English 13 Apr 81 p 9

[Text] New Delhi, April 12.

The foreign oil companies to be selected by the Government of India to carry out exploration in off-shore and on-shore areas leased out to them will hand over their entire operations to the Oil and Natural Gas Commission at the end of five years after their discovery and production of oil.

This has been stated categorically in a letter addressed to 24 companies by the Ministry of Petroleum.

The letter which lays down the guidelines for exploration specifically says that this condition is not "negotiable".

The Ministry's expectations seem to be that if the companies discover oil, they should be able to achieve an optimum rate of production within five years from the date of discovery, fully recover their investment costs and should be able to hand over their operations to ONGC.

Twenty-four companies had shown interest in the Government's offer to lease out exploration blocks to them and had obtained the technical dockets prepared by ONGC and sent their representatives for preliminary discussions at Dehra Dun and Delhi.

The remaining 11 out of the total number of 35 short-listed companies which had earlier responded to ONGC's advertisement had subsequently dropped out.

Production-sharing

The letter to the oil companies has given an indication of the Government's willingness to agree to production sharing.

The Government will not agree to any share in the "cost oil", that is, the portion of oil which is produced and set apart to amortize the investment cost by the companies.

The letter says that if the companies strike oil and proceed to carry out production drilling, the Government will reimburse the investments made by the companies

during a period of five years. The reimbursement will be made in dollars but not in oil.

The Government will, however, consider a share in the "profit oil", the oil produced over and above the allocation of cost oil, with the companies.

The companies have been asked to give detailed statements of (a) the quantities of oil which they would be willing to sell to the Government on a preferential basis and (b) the quantities which they would like to acquire for sale in the international markets over a period of years.

The Ministry told the companies that if they find oil, ONGC will become a partner in their equity structure to the extent of 50 per cent.

It has, however, been made clear that ONGC will not reimburse the cost of exploration incurred by the companies prior to the discovery of oil. It will be prepared to pay the cost of assessment of production to be achieved over a period of years.

The companies would be subject to Indian tax laws, including the liability to pay excise and customs duties on the equipment they import.

The 1981-82 Finance Bill will empower the Government to make exemptions or reductions in the taxes on chargeable profits earned by the foreign companies.

The Ministry's letter does not, however, mention the prospective concessions to which the foreign companies may be eligible.

The Ministry has asked the oil companies to specify the areas which they would like to be leased out to them. They have been told to give details of the exploration programme they could take up and complete within a minimum period.

The guidelines do not specifically lay down either a work programme which the Government would expect the companies to take up, or the minimum number of wells which they should drill.

The 24 companies to which the letter has gone are: U.S. companies: Texmaco International Petroleum Co., Amoco International Oil Company, Marathon Oil Company, Chevron Overseas Petroleum Inc., Sunmark Exploration Co., Shell Oil Company International, Esso Exploration Inc., Atlantic Richfield International Oil and Gas Company, Union Oil Company of California, Occidental Exploration and Production Company, Cities Service East Asia Inc., Hudebay Oil International Ltd., Union Texas Petroleum Corporation and Hunt Oil Co., Co. [as published]

The other companies: Petrobras International, Brazil; Compagnie Francaise des Petroles (CFP), France; Agip of Italy; Societe National Elf Aquitaine, France; British Petroleum, U.K.; Philips Petroleum Co., Far East, Singapore; Pemex of Mexico; Deminex of the Federal Republic of Germany; Rompetrol of Rumania; and Bow-Valley Exploration, Singapore.

NONCOMMUNIST OPPOSITION PLANS STRATEGY -

Madras THE HINDU in English 13 Apr 81 p 9

[Text] New Delhi, April 12.

While retaining their identities, the non-communist Opposition parties may enter into adjustment to give an effective fight to the Congress (I) in the by-elections to the Lok Sabha and State Assemblies and a possible snap election in Haryana. Those favouring this strategy are stated to be the Lok Dal, BJP, Janata Party and Congress (U).

The Lok Dal Parliamentary Board which reviewed the political situation today, heard from its members a resume of their talks with the representatives of other Opposition parties and joint informal meetings at the house of the former Steel Minister, Mr. Biju Patnaik.

According to the party General Secretary, Mr. Madhu Limaye, none of the parties was prepared to submerge its entity in a larger body but none was averse to a joint electoral arrangement. The Lok Dal formally committed itself to this strategy and decided to translate the vague desire into a concrete plan of action.

With five vacancies in the Lok Sabha and eight in the Assembly, U.P. will be the biggest electoral arena.

Another indication that a joint strategy was not a pious hope came from the BJP General Secretary, Mr. L. K. Advani.

Addressing the first annual session of the Delhi unit, he ruled out his party's association with another 'Janata experiment' but said that it would always be willing to cooperate with others on issues of common interest.

Devi Lal Expresses Regret

The former Haryana Chief Minister, Mr. Devi Lal, who actively worked for the Opposition kisan rally, defying the Lok Dal President, Mr. Charan Singh, today "admitted his error and expressed regret."

Mr. Devi Lal, who did not take part in the National Executive discussion, was present at today's meeting of the party's Parliamentary Board and participated in the 'frank discussion' on the issue of indiscipline.

Notable among the decisions of the National Executive was the formation of a committee, with the former Industry Minister, Mr. George Fernandes, as convener, to plan for an agitation against the Asiad which, it was felt, was a criminal waste of scarce resources.

CSO: 4220/7572

INDIA

MORE REPATRIATES TO BE SETTLED IN SOUTH INDIA

Madras THE HINDU in English 13 Apr 81 p 16

[Text] New Delhi, April 12.

The Government is making efforts to resettle during 1981-82 about 5,800 more repatriates from Sri Lanka, mostly plantation workers, under various plantation schemes in Southern India.

According to the annual report of the Department of Rehabilitation the Government has agreed under the Indo-Sri Lanka agreements to confer citizenship rights on six lakh persons of Indian origin together with the natural increase in their number who are to be repatriated.

Of them 3,50,380 persons (86,650 families) have already arrived in India.

Out of 64,560 refugees from Tibet who have come to India since 1959, about 53,500 have been rehabilitated.

The Union Government has also agreed to accept 1,500 Tibetan refugees coming from Bhutan for resettlement in India. These refugees have refused to accept Bhutanese citizenship.

The report says the settlement of displaced persons in the Dandakaranya project made good progress in 1980-81. A total of 3,370 families were rehabilitated during the year, and it is proposed to settle 2,000 more families in 1981-82.

All the 3,730 families (18,780 persons) of Chhamb refugees in Jammu and Kashmir having moved to rehabilitation sites, it is proposed to wind up the Chhamb Displaced Persons Authority.

These families were displaced in the 1971 Indo-Pak war. Their housing grants have been raised from Rs. 5,000 to Rs. 7,500 a family.

CSO: 4220/7572

INCREASE IN INDUSTRIAL GROWTH RATE REPORTED

Madras THE HINDU in English 12 Apr 81 p 6

[Text] New Delhi, April 11.

Twenty-nine industries with a weight of about 47 per cent in the general index of industrial production achieved a 13 per cent growth in February over the same month a year ago, it was officially stated here on Saturday.

The output of coal (including lignite) went up by about 6 per cent, crude petroleum by over 59 per cent, salable steel by 10.6 per cent, aluminium by 44 per cent, electricity by 10.4 per cent, cement by 21.1 per cent, nitrogenous fertilizers by about 24 per cent, phosphatic fertilizers by 16 per cent and sugar by 24.6 per cent.

In the category of intermediate product industries, all four--cotton yarn, newsprint, jute manufacture and petroleum products--have shown a positive growth rate and a similar pattern has been followed in the case of capital goods industries also.

All the selected 148 industries as a whole recorded an increase of 3.6 per cent in production in April-January 1980-81 over April-January 1979-80.

The increase was significant in the case of capital goods industries which achieved an 11 per cent growth. The rise in production in basic industries, consumer durables, intermediate goods and consumer nondurables was 2.8, 2.7, 2.6 and 2.5 per cent, respectively.

Fifteen items out of 148 with a weight of about 2.5 per cent have shown a growth rate of over 25 per cent. Thirty-four items with a weight of over nine per cent have shown an increase of between 10 and 25 per cent.

An analysis of the distribution of these 148 selected industries by the range of growth rates during April-January 1980-81 vis-a-vis April-January 1979-80 shows that 94 industries accounting for a weight of about 64 per cent in the general index of industrial production recorded positive growth rates.

Out of these 94 industries, 49 with a combined weight of about 11.5 per cent registered an increase of more than 10 per cent.

CSO: 4220/7565

ENGINEERING EXPORT DIFFICULTIES DESCRIBED

Bombay THE TIMES OF INDIA in English 10 Apr 81 p 12

[Text] April 9: Exports of engineering products from India were estimated at Rs. 850 crores in 1980-81 against Rs. 675 crores in the previous year, said Mr. Manmohan Singh, president of the Association of Indian Engineering Industry, talking to pressmen in Bombay yesterday.

Exports, he said, were, however, getting more difficult. Industrial production in the country was falling. The power situation was going from bad to worse and non-cooperative attitude of the labour was also proving a great hindrance to the production.

The power deficit stood at 16.1 in April-December 1980. Mr. Manmohan Singh pointed out that capacity utilisation of thermal and nuclear stations stood at 42 per cent in December 1980 as against 46 per cent in April 1980.

Although coal production was up by 9.7 per cent in 1980-81 and the number of man-days lost had come down substantially, it was not adequately reflected in the production because of growing indiscipline among labour, he said.

CSO: 4220/7549

TAMIL NADU REPORTS LOWEST POPULATION GROWTH

Bombay THE TIMES OF INDIA in English 10 Apr 81 p 19

[Text] Madras, April 9: Tamil Nadu had registered the lowest population growth rate of 1.72 per cent in the last decade, compared with the national average of 2.47 per cent, the health minister, Dr. H. V. Hande, claimed in the state assembly yesterday.

Moving the demand for grants to the health and family planning departments, Dr. Hande said the state led the rest in implementing the family planning programme. He said more than 116,000 sterilisations were performed in 1980-81 till the end of February.

The minister told the house that the government was examining the question of bringing before the assembly a comprehensive environmental pollution prevention and control bill.

Stressing the rural emphasis in health schemes, Dr. Hande said the public health department would be reorganised. Under the proposed new set up, there would be seven regions, each under an assistant director of health who would organise and implement various public health schemes in his jurisdiction. There would be 29 health districts in the state, each with a district health officer with ten to 15 primary health centres in his jurisdiction.

The Public Service Commission would recruit 1,400 doctors for rural and ESI hospitals, he added.

CSO: 4220/7549

INDIA

EDITOR ARRESTED UNDER OFFICIAL SECRETS ACT

Calcutta THE SUNDAY STATESMAN in English 12 Apr 81 p 7

[Text] New Delhi, April 11.--Mr V. M. Bhandari, Editor of a Hindi weekly edited in Delhi but printed in Bombay, is in the custody of the Faridabad police it is learnt, reports UNI.

Information collected by Delhi police reveals that a case under the Official Secrets Act has been registered against Mr Bhandari by the Haryana police.

Mrs Asha Bhandari, the journalist's wife, had lodged a complaint of abduction with Delhi police, saying her husband was whisked away by some unknown persons who visited their Paharganj residence in a Haryana police jeep.

The March 26 and April 9 issues of the weekly had carried articles criticizing the Chief Minister and Ministers of Haryana.

The Janata Party leader, Mr Piloo Modi, today condemned the Haryana police for the alleged abduction. He said the police should not be used by Ministers to keep their "sordid life" from being exposed in the Press. He urged the Prime Minister to intervene.

CSO: 4220/7563

STANDING COMMITTEES TO STUDY EAST ZONE PROBLEMS

Bombay THE TIMES OF INDIA in English 12 Apr 81 p 9

[Text] Gangtok, April 11 (UNI): The eastern zonal council, meeting here today under the chairmanship of the Union home minister, Mr. Zail Singh, decided to form standing committees to study the problems of member states.

Sikkim, West Bengal, Orissa and Bihar constitute the eastern zonal council.

Today's decision was to appoint standing committees on development projects of inter-state importance besides mines and minerals, forestry and soil conservation.

The standing committees were formed on a suggestion by the Union minister.

Mr. Zail Singh was authorised to appoint more committees as the need arose.

The council further decided to hold its meetings every six months instead of once in two years. Its next meeting will be held in Calcutta in October.

Earlier, Mr. Zail Singh, in his presidential speech, emphasised the need to make the forum of zonal councils more purposive and effective in a common endeavour to bring about inter-state co-operation in all matters.

This was the first time that the zonal council met in Gangtok.

The important issue raised at the meeting were revision in the rates and mode of royalty on minerals, removal of regional imbalances in the matter of economic development, problems of inter-state crimes and illicit trading of goods and inter-state development projects. [as published]

CSO: 4220/7561

NORTHEAST CONGRESS-I PARLEY CONCLUSIONS REPORTED

Bombay THE TIMES OF INDIA in English 12 Apr 81 p 9

[Text] Dimapur, April 11.

The two-day conference of seven Pradesh Congress (I) committees of the north-eastern region, which concluded here today, expressed serious concern over the activities of anti-national, secessionist, parochial and fissiparous forces in the region, which were posing a threat to the security and unity of the country.

Urging the people of the region to stand united and co-operate with national leaders to meet these challenges, the conference, in its political resolution, appealed to the leaders to effectively strengthen national forces in the region.

The conference, which formalised through elections a 35-man north-eastern Congress (I) co-ordination committee with Capt. William Sangma as chairman, five vice-chairmen and three general secretaries, expressed for the first time collective determination to fight fissiparous forces.

The Congress (I) pledge to make the tribal population self-reliant and to extend to it the benefits of development and progress was reiterated. The AICC (I) and the Union government were urged to implement the election promises.

Two Governors Wanted

Development of communications, the resolution said, would promote self-reliance. Regional [as published] economy could develop through a vigorous industrial policy based on local raw materials.

Two other demands voiced at the conference were the creation of a separate ministry directly under the Prime Minister to deal with the peculiar problems of the region and the appointment of two governors for the region, instead of one as at present.

The main speakers at the conference were the AICC (I) general secretaries, Mr. S. S. Mahapatra and Mrs. Rajendra Kumari Vajpayee, the Union communications minister, Mr. C. M. Stephen, the Union deputy minister, Mr. P. K. Thungon, three Meghalaya ministers, and the former chief minister of Manipur, Mr. Reishang Keishing. Mr. R. K. Dorendra Singh, another former chief minister of Manipur, was among the absentees.

Delegates from Assam came as observers. The Assam PCC (I) chief, Mr. L. K. Doley, explained that they would formally join the new body after consultations at the state level.

The main thrust of the conference was, however, reactivation of the Congress (I) in the region, the guidelines for which were given by Mr. Mahapatra, who prescribed building up a cadre of activists to fight what he described as "infantile leftist forces and right reactionaries."

He said the Congress (I), so far a mass-based body, should now switch over to a cadre-based system. The cadres should have training in party ideology before approaching the people through house-to-house campaign.

Mr. Mahapatra disclosed that a cadre of over one million activists would be created in the country in the next two years.

CSO: 4220/7561

UNIVERSITY GRANTS COMMISSION FIRM ON RESERVATION

Bombay THE TIMES OF INDIA in English 11 Apr 81 p 1

[Text] New Delhi, April 10.

Grants to educational institutions by the University Grants Commission will be conditional on reservations being enforced in appointments for scheduled castes and tribes.

The institutions will have to make specific provisions in their rules in this direction and ensure strict compliance with these rules.

The education minister, Mr. S. B. Chavan, told the parliamentary consultative committee for his ministry today that the UGC act might be amended, if necessary, in furtherance of the national policy on reservations in appointments to the teaching and non-teaching staff.

According to him, the UGC was already working on a sub-plan of the sixth plan to improve the representation of the Scheduled Caste and Scheduled Tribe candidates in college posts. It was acknowledged that the present position was unsatisfactory.

A statement circulated among the members of the committee shows that there is no lecturer belonging to the scheduled castes or tribes in Aligarh, Hyderabad and Jawaharlal Nehru universities while there are three each in Banaras and Delhi universities and one in Viswabharati, North-Eastern Hill University, which caters to a region with a large concentration of tribal population, has 44 lecturers belonging to these categories. The statement is confined to the situation in the Central universities.

However, the UGC guidelines lay down that before the beginning of each year the university should determine the likely vacancies and reservations should be decided facultywise.

Another subject that came up for discussion at the committee was popularising [as published] the use of Hindi. Members suggested that it should be simplified in a manner so as to secure acceptance by the entire country. They felt that efforts in this direction were inadequate.

The minister noted that Article 351 of the constitution required that all components of the composite culture would have to be taken care of and it was a point that would be kept in view in developing the link language.

He promised to call a special meeting of the committee to discuss the subject.

In reply to another query, the minister informed the committee that following the adoption of the 10 plus 2 pattern, the UGC had been considering the question of reviewing the contents of the degree courses and to modernise and enrich them. Certain guidelines had been issued for the consideration of the academic bodies of universities while introducing changes in the curriculum in college classes.

CSO: 4220/7557

BRIEFS

POLICY ON NAXALITES--New Delhi, April 1. The Centre was not aware of any change in the basic policies of naxalites, Mr. Yogendra Makwana, Minister of State for Home Affairs, told the Lok Sabha today. The Government was keeping a close watch on the movements of naxalites, who had been indulging in violent activities at various places. After a meeting in Calcutta recently some naxalite groups had called upon the people to oppose the Central Government and also the National security Act and the Essential Services Act and to intensify the struggle for release of political prisoners, he said.--PTI. [Text] [Madras THE HINDU in English 2 Apr 81 p 7]

SOCIALIST PARTY MERGER--New Delhi, April 9 (UNI): Bharatiya Socialist party, a registered unrecognised political party, has decided to merge with the Democratic Socialist Front headed by Mr. H. N. Bahuguna. The party, which is active in 17 states in India, fielded 109 candidates for the last Lok Sabha election under the leadership of its national chairman, Acharya Guru Prasad. It may be recalled that the Bharatiya Socialist party was formed just after the general election of 1977 when the Socialist party (a composition of SSP, PSP and ISP) was merged with the Janata party but the socialists, who were not happy with the merger, felt the need for a separate party. [Text] [Bombay THE TIMES OF INDIA in English 10 Apr 81 p 15]

ORISSA MORNING PAPER--Bhubaneswar, April 9: The Orissa chief minister, Mr. J. B. Patnaik, yesterday called upon the press to publish news items based on truth and facts, however bitter and unpleasant they might be, without fear in the public interest. He was heralding the appearance of a new Oriya daily newspaper DINALIPI, which is the first morning paper in the state. Mr. Patnaik said while any newspaper's survival would depend on its circulation and advertisement revenues as well as the managerial ability of the people concerned, any cheap attempt on its part to build up circulation by sensation-mongering and purveying baseless news items would ultimately prove suicidal. He said state government advertisements could be given only after a newspaper completed one year, according to the existing rules. He indicated that the criterion might be relaxed in the light of the fact that the DAVP released advertisements after the completion of four months of regular publication. [Text] [Bombay THE TIMES OF INDIA in English 10 Apr 81 p 19]

BEJOY BANNERJEE DIES--Mr Bejoy Kumar Banerjee, a former Speaker of the West Bengal Assembly and former Mayor of Calcutta Corporation, died at Ramakrishna Mission Seva Pratisthan, Calcutta, on Sunday afternoon after a brief illness. He was 76. He is survived by four sons and three daughters. The present Speaker of the Assembly, Syed Mansur Habibullah and Mr Prasanta Sur, the Minister for Local Government, went to Mr Banerjee's house in the evening to pay their homage. [Excerpt] [Calcutta THE STATESMAN in English 13 Apr 81 p 9]

MINORITIES CHAIRMAN'S STATUS--New Delhi, April 9. The Home Minister, Mr Zail Singh, has directed Chief Ministers to extend facilities normally given to Union Ministers to Dr Gopal Singh, chairman of the panel on minorities, Scheduled Castes and Tribes and other weaker sections. The Home Minister, in a letter to the Chief Ministers, has said that this is necessary to enable the panel to function efficiently. [Text] [Calcutta THE STATESMAN in English 10 Apr 81 p 1]

OFFSHORE OIL RIGS--New Delhi, April 9. The Oil and Natural Gas Commission (ONGC) is negotiating with Robin Shipyard of Singapore for the placement of orders for two more off-shore "jack-up" drilling rigs, each costing \$43 millions (Rs. 34.4 crores). Apart from "Sagar Samrat", ONGC had placed orders for two drilling rigs with Japan. The proposed purchase of two more rigs will take the number of rigs to be owned by ONGC to five. The French consultants of ONGC, Compagnie Francaise Petroles, are now said to be agreeable to the Government stand that it will not be given any share in the extra oil of five million tonnes to be raised from the Bombay High offshore oilfields over and above the 12 million tonnes expected to be produced by 1982-83. [Text] [Madras THE HINDU in English 10 Apr 81 p 9]

LEATHER EXPORT QUOTAS--April 8. The Union Government has released leather export quotas to individual quota-holders for 1981-82. These quotas will be 10 per cent less than in the previous year. The Central Government has pointed out that this principle will apply to those exporters who are holding quotas issued by the State Trading Corporation which would be administered by the STC. The quota cut stipulated will not apply to small tanners, whose quota for 1980-81 did not exceed the following figure: goat skins: 28,000 pieces, sheep skins: 28,000 pieces, cow calf skins: 8,400 pieces, buffalo calf skins: 8,400 pieces, cow hides: 3,600 pieces and buffalo hides: 3,600 pieces. [Excerpt] [Madras THE HINDU in English 10 Apr 81 p 11]

NEW LAUNCH PAD--New Delhi, April 12.--India is likely to set up a new launch pad for putting satellites in an orbit over the North and South Poles, reports PTI. An indication to this effect has been given by the Department of Space in its annual report for 1980-81 released recently. The report said the Polar Satellite Launch Vehicle would be launched from either Shriharikota "or from a new polar launch range." The location of the new launching range has not been given, but 200 acres are being acquired at Valiamala, about 20 km from Trivandrum, according to the report. [Text] [Calcutta THE STATESMAN in English 13 Apr 81 p 9]

UNIVERSITY VICE CHANCELLOR--New Delhi, April 13: Dr. V. Nayudamma, former director-general of the Council of Scientific and Industrial Research, has been appointed vice-chancellor of Jawaharlal Nehru University. The post had fallen vacant a few months ago when Dr. Nayudamma's predecessor left on an ambassadorial assignment. A reputed leather technologist with proven administrative capability, Dr. Nayudamma is expected to give a healing touch to the troubled campus and bring about normalcy so that normal academic activities can be pursued with vigour. [Text] [Bombay THE TIMES OF INDIA in English 14 Apr 81 p 13]

CHRISTIANS' APPEAL--New Delhi, April 10 (PTI): A delegation of the Christian community today called on the Prime Minister, Mrs. Indira Gandhi, and demanded that the Arunachal Pradesh Freedom of Religion Act, 1978, be kept in abeyance because it was "discriminatory" against Christianity. [Text] [Bombay THE TIMES OF INDIA in English 11 Apr 81 p 9]

MUSLIM YOUTHS' CALL--Hyderabad, April 12 (PTI): The All-India Muslim Youth Conference (AIMYC) would "struggle" against the Muslim religious heads and political leaders who exploited Muslims for years, the president of the conference, Mr. Gufran Azam, MP, said here today. [as published] Stating this as his organisation's main objective, he told a press conference that the AIMYC was not a communal organisation nor was it affiliated to any political parties. However, the organisation was not against mullahs as such. He expressed concern over the "state of affairs" in the wakf boards and aided institutions and called upon Muslim youths to 'revolt' against the heads of these institutions, take them over and run on sound lines. The Jamaat-e-Islami and the R.S.S. were whipping up communal feelings, he alleged. There was a greater need to counter their efforts. Problems like Urdu and Aligarh Muslim University were not the chief problems of Muslims. The economic problems were more important and serious than these, he said. [Text] [Bombay THE TIMES OF INDIA in English 13 Apr 81 p 5]

CONGRESS-U PARTY ELECTIONS--Lucknow, April 12 (PTI): The Congress (U) president, Mr. Devraj Urs, today said that the party's organisational elections were expected to be held between April 20 and May 20. Talking to newsmen here, Mr. Urs said that Mr. Shyamchar Nara would continue to be the president of the U.P. state until till fresh elections were held. [as published] Mr. Urs, who arrived here yesterday, attended the meeting of the state executive of the party. There has been lot of controversy in the rank and file of the party over Mr. Misra continuing the presidentship of the state unit of the party. Mr. Urs said he was in favour of reservation but the basis for it should be economic rather than caste consideration. The reservation, he said, should continue at least for five to ten years till the economic condition of the poor was raised to a reasonable limit. In Karnataka, 68 per cent reservation had been granted on economic basis when he was the chief minister. [Text] [Bombay THE TIMES OF INDIA in English 13 Apr 81 p 7]

KOIRALA REPORTS NEPAL PLAGUED BY CRISES

Calcutta THE SUNDAY STATESMAN in English 12 Apr 81 p 7

[Text] Kathmandu, April 11.--The deposed Premier and leader of the outlawed Nepali Congress, Mr B. P. Koirala, has called upon the Nepalese people to refrain from "extremism while boycotting the election", reports AFP.

In a Press statement issued before his departure for New York for medical treatment, Mr Koirala said that the country today was plagued by a number of "crises".

While emphasizing that the need of the hour is to work for "democracy" as well as for the "consolidation of nationalism", Mr Koirala said. "At this hour of crisis we have today a great responsibility to bear".

Although contradictions exist between the Crown and the democratic forces in Nepal, they are complimentary to each other, he said.

"The third amendment of the constitution has neglected the wishes of a great minority. After extensive consultations we were forced to boycott the forthcoming general election to be held on May 9 under this constitutional amendment", Mr Koirala said. [as published] "It shall be our continuous effort to end this unfortunate situation without abandoning democratic ideals".

Mr Koirala in his statement further said: "The extremism of either the Left or the Right is a hurdle to the democratic development of the country and I will not associate myself with any of the extremists because they are forces opposed to us".

CSO: 4220/7564

NEPAL

GOVERNMENT ANNOUNCES NEW INDUSTRIAL POLICY

Bombay THE TIMES OF INDIA in English 2 Apr 81 p 5

[Article by Mavin Kurve]

[Text] Kathmandu, April 1:

The Nepal government yesterday announced its new industrial policy to create a better climate for foreign investment in industry and throw open all sectors to the private sector, except defence production.

Curiously, no foreign correspondent was invited to the press conference of Dr. Ram Prasad Rajbanshi, minister of state for commerce and industry, even though Nepal is casting its net wide to attract foreign investors, including multinationals.

Nepal's national news agency said that a new industrial promotion committee was being set up to provide facilities and a separate agency would cater to the needs of foreign investors. A novel proposal for a "trade promotion sector" had been incorporated. It would probably operate like the free trade zones at Kandla port and Santa Cruz in India and Colombo in Sri Lanka.

The government has given a blanket assurance that no foreign investment industry will ordinarily be nationalised. Should such a contingency arise, the investor will be able to repatriate his investment in hard currency as per Nepal's company law and no tax will be levied on this amount. The government will further stand guarantee for loans secured by foreign investors from outside agencies for investment in priority industries.

Foreign investors from India, West Germany, the Soviet Union, France and China have been awaiting the enunciation of the new policy, which has been delayed for more than a year.

Among the new facilities offered for joint tie-ups and foreign investments are liberal repatriation facilities for both capital and profits. The policy lays down that no excise duty will be levied for three years on industrial products exported to foreign countries and from "trade promotion areas."

The new cottage industrial units will be exempted from paying sales tax and excise duty on their products for five years. Sales tax exemption will also apply to

materials used, such as imported equipment, spare parts, tools, industrial raw material and chemicals.

Unlike the 1974 policy, the new policy welcomes foreign investment in both medium and big industrial sectors--units with fixed assets exceeding Rs. 20 lakhs.

India, which is Nepal's major trading partner and has a five-year trade treaty with it, may have to review its position in the light of the existing and proposed provisions in the new industrial policy. [as published] It provides "protection" to new units and in due course will do away with the "inhibitory arrangements and assurances" given in March 1978 by Nepal not to permit units which manufacture goods likely to be smuggled across the international border to India.

CSO: 4220/7544

SRI LANKA UNION OFFICIAL INTERVIEWED IN MADRAS

Madras THE HINDU in English 10 Apr 81 p 11

[Text] April 8.

The problem of statelessness of half a million persons of Indian origin in Sri Lanka--a majority of them plantation workers, does not brook any delay, said Mr. S. Nadesan, Deputy President, United Plantation Workers Union, Sri Lanka, here on Wednesday.

In an interview he said that the union affiliated to the Communist Party of Sri Lanka, together with the other unions (including some Sinhalese-led ones), had strongly urged the Jayewardene Government in a memorandum to solve the problem immediately.

Mr. Nadesan said it was a pity that franchise rights were taken away from the plantation workers of Indian origin after the island got independence.

The implementation period of 15 years for the Indo-Sri Lanka agreements on the problem of stateless people had lapsed at the end of October 1979 leaving half a million people stateless, he said.

The memorandum had urged that among other things: all persons who had applied for Sri Lanka citizenship under the 1964 and 1974 Indo-Ceylon agreements, but who had not been registered as such before the agreements lapsed, should be granted Sri Lanka citizenship immediately; all persons of Indian origin born or long resident in the country but who failed to apply under the agreements should be given a definite period of time by which they should apply for citizenship of one or the other country.

Those applying for Sri Lanka citizenship should get it without loss of time.

The Sri Lanka Government had taken half the country's population--and 95 per cent of the estate workers--out of the ration books by an order that those drawing Rs. 300 and above would not be eligible for rationed articles, he said.

All the trade unions had asked the Government to institute monthly wages to plantation workers so that they would have decent wages going up on a time scale with annual paid holiday etc.

The Government had proclaimed its intention to provide monthly wages but nothing had been done yet.

The Sri Lankan was critical of the nationalised plantation companies in his country.

"Mismanagement and corruption in the plantations managed by the State Plantation Corporation and the Janata Estates Development Board have led to a fall in production", he said.

Mr. Nadesan, along with representatives of the Ceylon Workers' Congress (Mr. S. Thondaman's Congress) were in Madras during April 7-8 attending a seminar organised by the Prague-based Trade Union International for Agricultural, Forestry and Plantation Workers.

The seminar was attended by INTUC and CITU representatives from India, and trade union leaders from Bagladesh [as published] and the USSR, discussed the need to intensify the struggle of workers in Asian countries for their demands.

CSO: 42 3/7556

FREEDOM PARTY REJECTS BANDARANAIKE PROPOSAL

Bombay THE TIMES OF INDIA in English 13 Apr 81 p 23

[Text] Colombo, April 12 (Reuter): Sri Lanka's former prime minister, Mrs. Sirimavo Bandaranaike, suffered her first defeat in 21 years as president of the Freedom Party on Friday when it rejected a proposal that it should not contest regional elections in June, a party spokesman said.

The party's 120-member working committee decided by a single vote to contest the elections, rejecting the proposal, racked by Mrs. Bandaranaike and her supporters.

The vote taken after a hectic six-hour debate was 48 in favour of contesting the elections and 47 against.

Mrs. Bandaranaike took the defeat "very badly", the spokesman added.

She had argued that the party should not contest the elections for 24 district development councils as the councils were structured in such a way that the government would always have a majority.

The deputy leader, Mr. Maitripala Senanayake, said the party had a duty to its membership to fight the elections. It would also give it an opportunity to prepare itself for the general election in 1983, he added.

CSO: 4220/7569

PROSPECTS FOR NATION'S ECONOMY TERMED 'DISMAL'

New Delhi PATRIOT in English 3 Apr 81 p 2

[Article by S. P. Amarasingam]

[Text]

COLOMBO:

THE Cabinet recently adopted some far-reaching measures to bring about what the IMF terms "financial discipline" to circumscribe the Government's policies and programmes within the imperatives of current IMF strategy.

The Government budget for 1981, adopted in November/December 1980, was further revised after the Cabinet review during the last two weeks of the island's economy in the light of the findings of the IMF mission which recently completed its survey. The Cabinet has decided to impose a ceiling on development expenditure, with immediate effect. This will be effective on expenditure by Government for the current year. The new measures will be effective in all Ministries. For instance, although the total voted for the Mahaveli Development Project was Rs 4,500 million the expenditure will be pruned to Rs 3,750 million. In the Ministry of Local Government, Housing and Construction the budgeted expenditure of Rs 2,680 million will be reduced to Rs 2,180 million. In all other Ministries, the expenditure will be cut to 90 per cent of the estimated amount.

There will also be a ban on ministries launching any new schemes in 1982 and 1983. They will be required to concern themselves with the completion of schemes currently being processed. The Cabinet also decided that

ministers must take steps to impose strict discipline in spending, particularly on items that consume heavy electricity such as air-conditioners, elevators etc. The ministers also agreed that the Urban Development Authority should not authorise the construction of new high-rise buildings other than those already approved, because of the increasing power crisis. Even after the commissioning of new hydro-electric power sources from the Mahaweli Scheme it was stated, the demand would exceed the supply.

Ministers are asked to concern themselves only with the completion of schemes now in progress. Priority will be given to new schemes on two considerations: (1) Employment generation and (2) Quick return on capital invested as in agricultural production. All Ministers have been told that no Corporation should undertake any capital work even with their own resources until they pay a 10 per cent dividend to the Treasury, and even if new schemes are to be started it should be approved by a high-powered evaluation committee of the Government. It was also decided to appoint a fuel conservation officer for each Ministry with a view to control the consumption of fuel and effect at least a 30 per cent cut.

It must be remembered that these new cuts have come on top of a major pruning in budget estimates earlier. In November 1980, some Cabinet Ministers

were asked to make cutbacks from their respective budgetary allocations amounting to 25 per cent hardly two days before the Finance Minister presented the budget proposals to Government. Then the votes of the Mahaveli Ministry were cut by as much as one billion rupees and the Housing Ministry's votes by some Rs 600 million. At that time all subsidies were also further cut—and rail and bus fares had more than doubled. The price of bread, flour, milk, sugar and other foods had also gone up by at least 50 to 75 per cent.

These are the measures that have so far been made public from the package of austerity restrictions the Government has devised to satisfy the IMF which had suspended Sri Lanka since last October from drawings under the Extended Fund Facility (stand-by credit) to meet foreign exchange deficits. The IMF had thus placed Sri Lanka on a kind of "probation period" to show improvement through "financial discipline". The Minister of Finance has been harping on "financial discipline"—IMF's current terminology for strict adherence to its conditionalities—since October/November 1980 and the measures adopted now are only to persuade the IMF to reopen the Extended Fund Facility to Sri Lanka.

From the time the IMF began to show its claws, there have been sharp attacks in western papers about the economic 'crisis' here. For instance, the

(London) *Economist Intelligence Unit* in a survey published on 27 January, 1981 had stated: "On the economic front the Jayewardene Government's problems... stem from the inability or unwillingness of the Finance Minister Mr Ronnie de Mel to impose financial discipline over his Cabinet colleague. Colombo is awash with rumours of an imminent Government reshuffle, which would result in the removal from office of the ineffective Finance Minister.... The economy faces mixed prospects during 1981, with an unexpected growth rate between five and 5.5 per cent. The plantation sector is likely to once again perform below par. The balance of payments (current accounts) is heading for an alarming deficit of Rs 16 billion. Large scale commercial borrowings will be necessary to avert a foreign currency famine. No showdown in the inflation rate is foreseen. Having tried to live beyond its means for the last 18 months the cutback in public investment announced in the November budget was a faltering step in the right direction. This adjustment is complicated and delayed by social and political constraints (eg, the consumer subsidies) the unwillingness and/or the inability of the Finance Ministry to curb the spending of the other powerful ministries...."

It is believed that the discussions in the Cabinet on the "financial discipline" demanded by the IMF had provoked divergent reactions. Some Ministers had wanted to know the extent to which the Government must 'bend' or 'knuckle down' to the 'rigours of the IMF'. Already the Government has experienced

what IMF's 'financial discipline' means in practice. The Ministry of Local Government, Housing and Construction was recently looking for a supplementary estimate of Rs 250 million as the local component in order to implement a World Bank aided water supply scheme in the country. Now most of this money has been almost found mainly through a mortgage from the American Trust Association which is recognised by the US Government. The mortgage was earlier earmarked for housing, and thus foreign money for housing has now been diverted to water supply in lieu of local counterpart funds. In the meantime, a team of World Bank experts have rephased all proposed and ongoing development projects in the water supply and sanitation sector of the country. Only the South West coastal water supply project (Ambalangoda, Wadduwa, Kalutara) will be implemented fully this year. The Colombo sewerage system which is on the verge of collapse and many other projects have been put off for better days.

Some Ministers had even wondered whether international commercial banks would not step in where the IMF has refused to tread. But Minister de Mel had pointed out that if the IMF was to continue its suspension of the Extended Fund Facility because the Government could not keep to the original budget, other commercial banks too would fight shy of giving us loans.

In the meantime, the value of the rupee is depreciating. The trade deficit is widening. The country's still largest foreign exchange earner, the tea industry is not responding favourably.

The call for increased industrial production, particularly exports, comes in the background of powercuts and escalating oil prices. While the IMF has adopted a tough posture, the World Bank is believed to have adopted a softer stance. The World Bank has circulated a 'position paper' among the members of the Aid Club. The paper is reported to be sympathetic to the Government particularly after several meetings in Washington with Sri Lankan Prime Minister R Premadasa and Mahaweli Minister Gamini Dissanayake. World Bank president Robert McNamara is said to have told our Prime Minister "your trade deficit is 20 per cent of your GNP, your fiscal deficit is 20 per cent of GDP and inflation rate is 40 per cent. This is a disaster scenario". In spite of this, the World Bank has a positive approach to development. The IBRD stresses on greater production and concentration in quick-results-yielding projects whilst the IMF has only one chorus "financial discipline".

In the meantime, the four-member IMF team which had spent several weeks in Sri Lanka has left for Washington to finalise a "comprehensive report" containing a review of Sri Lanka's economy to be circulated among the members of the Aid Sri Lanka Consortium scheduled to meet in Tokyo on 1 July to decide on the quantum of aid requirements for the current year and the quantum of assistance for the ongoing Mahaweli project.

The Government has sought to explain the present crisis by placing all the blame on (a) oil price hikes (b) global inflation and (c) adverse weather condi-

tions. Critics of the Government, however, have pointed out that the current economic crisis is due to (1) over-spending of borrowed money; (2) excessive liberalised imports; (3) decline in domestic production particularly in agriculture (plantations and subsidiary food crops) (4) waste, loss, thievery and corruption on a massive scale in the administration, in public sector organisations and development projects and (5) the fact that IMF strategy only safeguarded Western bankerdom and not development in poor countries.

What further difficulties lie ahead for Sri Lanka is hard to predict, as the IMF continues to apply the screw, but most thinking people agree that the immediate prospects are dismal. The Government continues to plead that it has followed the IMF diktat to the full--cut subsidies, liberalised the economy, opened the country to foreign capital, made the Free Trade Zone attractive to investors etc. etc.--and that all this was done within a democratic framework, and that for this reason the IBRD-IMF should waive the rules a little to help Sri Lanka along.

SRI LANKA

BRIEFS

OIL TERMINAL PLANNED--Colombo, April 11 (UNI): Neogitations are underway here between the Ceylon Petroleum Corporation and the Coastal Corporation of America for setting up one of the world's largest oil terminals at Trincomalee. According to newspaper reports, storage tanks installed by the British Admiralty during World War two in Trincomalee would be reconditioned for storing about one million tonnes of oil. Initially, Rs. 1,000 million would be spent on laying a network of new pipelines, construction of a jetty for super tankers and clearing up a 2,560-sq. km. area abutting the proposed terminal site. [Text] [Bombay THE TIMES OF INDIA in English 12 Apr 81 p 12]

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